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FINANCIAL TIMES
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INSIDE

VW management set for shake-up

Sweeping changes in the top management of Volkswagen, Europe's biggest carmaker, are expected to be approved next month. Speculation on a shake-up revived when officials of the Lower Saxony government claimed Mr Ferdinand Piëch, the new VW chairman, had enticed Mr Ignacio Lopez de Arriotua to quit his job at General Motors of the US. Page 14

Exchange rates limit Glaverbel

Glaverbel, the Belgian glassmaker, blamed "competitive devaluation" of European currencies for a slump in export sales during the second half of 1992. Net profits at the company edged up to BFr715m ($21.4m). Page 14

Opening shots in phone war

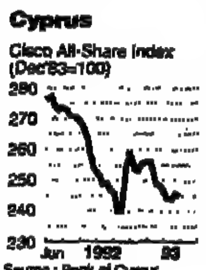
A ferocious battle between two pairs of unlikely partners is unfolding in Canada's long-distance telephone market. Stentor, the Canadian telecommunications utilities consortium, has teamed up with MCI of Washington DC, while Canada's Unitel Communications has hopped into bed with American Telephone & Telegraph. Page 15

Nippon Housing Loan rescue off

The nine banks which back Nippon Housing Loan group, the Japanese financial institution worst hit by the property market collapse, failed to agree on a rescue for the company. Page 16

Hopeful caution in Cyprus

Cyprus



Source: Bank of Cyprus

Optimism underlies the cautious mood on the Cyprus over-the-counter stock market. Last week saw the narrow presidential victory of Mr Glafcos Clerides, backed by the Greek Cypriot business community which expects the unofficial stock market to have a more solid foundation soon. Back Page

Clinton commodity effect

Analysts have noticed a steady rise in several closely watched commodity indices since late summer, when it became apparent Mr Bill Clinton might clinch the presidency. However, since he took office, the indices have diverged. Page 20

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)

Falls			
Aachen Mch	830	−	40
BMW (Br)	486	−	13
Hochtief	1100	−	24
Lahmeyer	635	−	25
Mercedes Hld	440	−	14
Rheinelektra	928	−	20

NEW YORK ($)

Rises			
Abbott Labs	25¾	+	1⅛
Chrysler	37¼	+	1⅞
Johnson & Jhnsn	42⅝	+	2⅝
US Healthcare	42¾	+	2⅝
Falls			
Dell Computer	31	−	5¼
Seagate Tech	16⅛	−	1⅛

PARIS (FFr)

Rises			
Gaumont (Soc N)	479	+	20
Promodes	648	+	19
Unibail	375	+	26.6
Falls			
Cr Fonc France	1069	−	53
Cred Lyon (CI)	503	−	18
Credit Local Fr	380	−	14

TOKYO (Yen)

Rises			
Hitachi Cable	620	+	10
Sanwa Steel	411	+	41
Taki-O	588	+	57
Falls			
Ikeda Bussan	241	−	28
Nippon Kasei	339	−	41
Showa Shell Sek	800	−	200

New York prices at 12.30pm.

LONDON (Pence)

Rises				Falls			
Brit Aerospace	265	+	13	Baldwin	93	−	5
Euro Disney	975	+	27	CRP Leisure	4½	−	3½
Fisher (J)	49	+	5	Cook (Wm)	147	−	10
Howden	63	+	4	Costain	27	−	2
Inoco	13	+	2½	Erskine House	50	−	4
Lambert Howth	490	+	25	Gestetner	131	−	11½
Monarch Res	86	+	6	Hartstone	260	−	20
Owners Abroad	129	+	13	Kode Intl	153	−	8
Ranco Oil	138	+	6	Stirlo Business	79	−	34
SmithBeechamA	440	+	16	Tarmac	108	−	5
VSEL	620	+	20	UK Land	19	−	3
VTR	50	+	5				
Ward Hldgs	33	+	3				

Coopers sued by banks for C$127m

By Bernard Simon in Toronto, Robert Gibbens in Montreal and Andrew Jack in London

A GROUP of 16 banks has alleged that the Quebec branch of auditors Coopers and Lybrand failed to disclose irregularities in the affairs of Castor Holdings, the bankrupt Canadian property finance group backed by European investors.

The banks, mostly based in Germany, have filed a suit in a Quebec court claiming C$127m ($100.7m) from 20 partners in Coopers' Montreal office. They claim the partners "grossly misstated [Castor's] real financial condition and concealed the true picture".

Castor, which was controlled by German-Canadian financier Mr Wolfgang Stolzenberg, went into bankruptcy last July, leaving creditors with losses expected to exceed C$1bn.

Castor specialised in risky second and third mortgage financing. Investors initially enjoyed handsome returns, thanks partly to tax savings, but the company was affected by the slump in North American real estate market in the late 1980s.

Coopers acted as Castor's auditors from its inception in 1977, and is said to have helped set up a complex corporate structure that involved channelling funds through subsidiaries in jurisdictions that had favourable tax treaties with Germany.

The banks which have filed the suit against Coopers include Arab Banking Corporation, Bayerische Landesbank, Berliner Handels und Frankfurter Bank, and Sal Oppenheim. BHF alone has claimed C$30m.

According to a declaration filed with the Quebec Superior Court, the banks allege that Coopers failed to recommend appropriate procedures to control "possible abuse or improper activity" by senior Castor executives. They contend that Mr Stolzenberg "had complete and unsupervised control over the operation of the company's assets".

Castor's bankruptcy trustee has separately launched a C$24m claim against Mr Stolzenberg, and last month obtained a court order to seize his assets in Canada, including several properties and cars.

Mr Peter Blaikie, managing partner of Heenan Blaikie in Montreal, the law firm acting for Coopers, said: "We have a mandate to contest the writ. It is clear and unequivocal."

David Waller on WestLB's diversification into industry and tour operations

German bank travels beyond its heartland

Brushing off critics: Friedel Neuber, chief executive, says: 'I hear them complaining but I don't listen'

Mr Friedel Neuber and the Westdeutsche Landesbank – the German public sector bank of which he is chief executive – never seem to be far from controversy.

They ran into it again last week when WestLB agreed, after months of negotiations, to buy a 40 per cent stake in the Landesbank Schleswig-Holstein, the Kiel-based public sector bank. This is believed to have cost between DM260m and DM300m ($180.7m).

The move came several months after WestLB, acting in tandem with the Stuttgart-based SüdwestLB, paid DM750m to acquire a 50 per cent stake in Landesbank Rheinland Pfalz in Mainz.

The two transactions consolidate WestLB's position as Germany's dominant public sector bank, its interests extending far beyond its North-Rhine Westphalia heartland.

The bank today reports its 1992 figures. Group operating profits are likely to be more than the DM970m made in 1991.

With a balance sheet of DM260bn at the end of last year, the house-bank to the state of North-Rhine Westphalia is Germany's third biggest bank, the only public sector bank able to compete directly with the so-called Grossbanken, the large, private-sector banks. With around a third of earnings coming from 31 offices abroad, its ability to compete with the likes of Deutsche Bank and Dresdner Bank extends beyond the domestic market.

The negotiations over the sale of the stake in the Kiel bank stirred up strong regional rivalries and Mr Neuber managed to squeeze out a rival bidder, the Hanover-based Norddeutsche Landesbank.

This is only the latest in a series of transactions which give the impression that 57-year-old Mr Neuber relishes breaking with the prevailing consensus in the German business world.

While other Landesbanken stick to looking after state governments' finances and providing central banking services to local savings associations, Düsseldorf-based WestLB has been pursuing more colourful activities. It is thought to have spent at least DM1.6bn on buying stakes in industrial companies since 1991.

Last year it and its LTU travel associate – Germany's largest airline charter group in which WestLB has a 34.3 per cent stake – bought an 86 per cent stake in Thomas Cook, the UK travel company, for £172m.

WestLB later bought the whole stake on its own account and fused it with other travel interests in a newly formed subsidiary, TCT Touristik Beteiligungs. It also began manoeuvres to win control of Touristik Union International (TUI), Europe's largest tour operator.

WestLB also had a 10 per cent stake in Hoesch, the steel group which recently fell victim to an unwelcome takeover from Krupp, its Ruhr-based rival. WestLB claims that it played a neutral role in the affair but Frankfurt financiers are convinced that Mr Neuber helped Krupp plot and execute the takeover.

The bank also has a 10 per cent stake in Asko Deutsche Kaufhaus, the large German retailer acquired last year by Metro, the privately-owned Swiss retail group. It is thought to have helped Metro with the purchase of its majority stake in Asko.

"Wild-west capitalism," is how Mr Peter Fischer, economics minister of the state of Lower Saxony, describes the bank's stake-building in German companies. It is believed to have stakes in up to 150 companies, the biggest of which is a 32 per cent holding in Preussag, the large German steel and engineering group.

Critics such as Mr Fischer raise a number of questions:

- First, what is a bank doing straying so far away from financial services, building an empire in the travel business and helping to shape the future of the German steel and retail sectors?
- Second, is this sort of activity not especially inappropriate for a public sector institution, one which serves the social democratic state government of North-Rhine Westphalia at that?
- Third, could it not all go disastrously wrong with the onset of recession on Germany? As one former WestLB executive puts it: "It is all very well building an empire when times are good... but can it hold together in a slowdown?"

Mr Neuber, who began his working life as an apprentice at the Krupp steel firm, brushes critics aside. "I hear them complaining but I don't listen.

"We do not pursue industrial policy, we help companies develop their strategies. And what we do, we do in order to make money.

"The buying and selling of corporate shareholdings is part and parcel of our normal banking business, as it is for the large private sector banks. This form of investment banking has been highly profitable for West LB for many years."

The strategy is to take advantage of the synergies between travel agency (Thomas Cook), tour operating (TUI) and charter-flights (LTU), while WestLB reaps a harvest of financial services business from the travel operations. It is likely – although Mr Neuber will not confirm this – that the combined travel group will one day be brought to the stock market.

Mr Neuber adds that WestLB's industrial participations are only modest compared with other banks' industrial participations – Deutsche Bank's 28 per cent holding in Daimler-Benz alone eclipses WestLB's entire portfolio.

The difference is that while the Deutsche Bank has adopted a deliberately low profile in the three years since Mr Hilmar Kopper has been chief executive, WestLB has hardly ever been out of the headlines. "There has been a lot of publicity," he concedes.

It is unlikely to cease. To the fury of the private banks, WestLB's war chest received a substantial increase last month when the German banking authorities allowed WestLB to consolidate its subsidised housing finance subsidiary, recently acquired from the government of North-Rhine Westphalia. That gave it DM4bn of "free" equity just as tough new capital adequacy requirements came into force.

The private sector banks, which had to hold expensive rights issues to meet the new requirements, cried foul, complaining that WestLB was getting an unfair advantage.

"They would say that," says Mr Neuber. "They are the competition."

Nobel blames currency losses for halved profits

By Christopher Brown-Humes in Stockholm

NOBEL Industries, the Swedish chemicals group, yesterday blamed poor management and weak control for SKr750m ($97.6m) in foreign exchange losses which more than halved 1992 profits to SKr200m.

The result is much worse than predicted last October when the group said 1992 profits would exceed 1991's SKr460m. The weakening of the krona in the final months of last year lowered the group's result by SKr300m.

Mr Ove Mattsson, president and chief executive, said no unauthorised transactions had come to light, but he admitted the group had made excessive provisions for its tax exposure and said human error was partly to blame.

He did not rule out the possibility of some staff being dismissed on the completion of an inquiry into the group's finance and control functions.

The group is taking immediate steps to correct its tax hedging position, although it admits that a further weakening of the krona since the start of 1993 will result in additional foreign exchange losses of SKr150m at current exchange rates.

Mr Mattsson said SKr450m of last year's foreign exchange losses could be blamed on hedging designed to limit the group's exposure to Swedish tax on foreign assets. However, he stressed that this process became unnecessary when the group's tax position changed in 1991 (it accumulated large tax loss carry-forwards after the restructuring of the stricken finance company Gamlestaden) and it should have changed its policy sooner.

The remaining SKr300m of exchange losses arose because "we were unable to protect all our positions and because of human error. It was a question of late action and lack of communication," said Mr Mattsson.

Shares in Nobel were suspended on Tuesday pending the results announcement and resumed trading yesterday. The company said it requested the suspension because it did not want to mislead the market when disclosing a separate deal under which it will sell its defence electronics operations to the state-owned Celsius group for SKr1.55bn.

Record losses of £1.2bn fail to dismay British Aerospace

By Tony Jackson in London

BRITISH AEROSPACE entered the record books yesterday with the biggest annual loss in UK corporate history. The loss of £1.2bn ($1.68bn) before tax included exceptional costs of £1bn, as forecast last year. However, BAe also lost £75m at the operating level, compared with a £212m profit the year before.

Mr John Cahill, BAe's chairman, said that while the position was "clearly unsatisfactory", he was much more confident about the outlook than six months ago. "We have delivered on our objectives for 1992," he said. These were to secure the future of the European Fighter Aircraft, to establish a joint venture in regional aircraft with Taiwan Aerospace, and to push forward the Al Yamamah defence contract with Saudi Arabia.

The Rover car business reduced its loss from £52m to £49m, in spite of a 10 per cent fall in output to 421,000 units. Rover had reduced its break-even production level to 440,000 units a year. This year's target for break-even was 400,000; however, that was proving difficult to achieve because of high marketing costs.

Mr Dick Evans, BAe's chief executive, said: "We cannot hope for help from any immediate recovery in the UK economy." There were no plans to dispose of Rover when its five-year agreement with the UK government expires in August.

Mr Cahill said BAe was not worried about the threat of takeover. "We might look very attractive in terms of price, but you don't know what you're getting," he said. "That's our poison pill".

Mr Evans said relations with Lord Weinstock of GEC, often rumoured as a predator, were amicable.

Mr Evans dismissed President Clinton's recent attacks on European subsidies for Airbus, in which BAe has a 20 per cent stake.

The company confirmed that Airbus was in negotiations with American Airlines about the possible cancellation of an order.

"If these aircraft come back to us, we will re-market them," Mr Evans said. "At present, we're playing a game of brinkmanship."

Mr Richard Lapthorne, BAe's finance director, said the group was comfortably within its banking covenants. "There could well be a constraint on the pace at which we move in managing our portfolio of businesses", he said. "But as managers, we're used to operating within constraints anyway."

The final dividend was 4p per share, making 7p for the year (25p). BAe's shares rose 13p to 265p.

Lex, Page 12; Details, Page 18

Atlas Copco advances 14%

By Christopher Brown-Humes in Stockholm

ATLAS COPCO, the Swedish tool manufacturing group, saw profits after financial items rise 14 per cent in 1992 to SKr1.03bn ($136m) from SKr902m in 1991.

The group said that it had benefited from restructuring and higher interest rates which more than offset the impact of lower sales volumes. An unchanged dividend of SKr8 per share is proposed on a 22 per cent increase in earnings per share to SKr16.90.

Atlas forecast unchanged earnings for the current year, but it noted that the weak sales trend which it experienced towards the end of 1992 had continued into 1993, particularly in Europe.

Group sales rose 7 per cent last year to SKr16.0bn from SKr15.0bn, largely reflecting the acquisition of AEG's electrical power tool operations at the start of the year. Operating profits after depreciation climbed 7 per cent to SKr1.13bn.

There was increased demand for drilling equipment, but low metal prices and large inventories depressed demand in the mining sector. In industrial markets, European demand was generally weak, apart from Germany, but better in eastern Asia, excluding Japan.

Orders received rose 4 per cent to SKr15.88bn, but adjusted for comparable units, the level dropped 4 per cent.

The group's construction and mining technique business area turned round a SKr53m loss in 1991 to produce a SKr157m profit last year, in spite of a drop in sales to SKr4.25bn from SKr4.49bn.

The improvement, which was largely a reflection of the restructuring costs charged to the division in 1991, helped offset worse performances from the group's two other divisions. Compressor technique saw earnings slump to SKr970m from SKr1.03bn, on virtually unchanged sales of SKr7.4bn, while the industrial technique result fell to SKr135m from SKr286m in spite of increasing sales to SKr4.35bn from SKr3.17bn.

Akzo posts 3% rise but warns on current period

By Ronald van de Krol in Arnhem

AKZO, the Dutch chemicals group, posted a 3 per cent rise in net profit before extraordinary items in 1992, but warned that the result for the current half-year may decline.

The downturn in Europe, where Akzo generates 70 per cent of its sales, is expected to outweigh the emerging recovery in the US, which accounts for 22 per cent of turnover. However, Mr Aarnout Loudon, chairman, did not make a forecast for the second-half result.

In 1992, net profit before extraordinaries increased to Fl 712m ($392m) from Fl 691m in 1991, in the face of stagnant economies in Europe and turmoil on the currency markets. Sales were steady at Fl 16.85bn, with the effects of adverse currency translations and divestments balanced by rises in prices and sales volumes and by acquisitions. Operating profit rose by 6 per cent to Fl 1.23bn thanks to a 0.5 per cent decline in costs , which in turn partly reflected a fall in the group workforce by 2,700 to 62,500.

Three of Akzo's four main businesses were largely responsible for the rise in operating profit, with coatings recording a 14 per cent increase, pharmaceuticals 5 per cent and chemicals 10 per cent, thanks in particular to specialty chemicals.

Mr Loudon said that the emphasis on cost controls would continue in 1993 and that Akzo saw productivity gains of 3 per cent.

Net profit including extraordinaries rose by 11 per cent to Fl 646m. Akzo had after-tax charges of Fl 66m in 1992, due in part to a pre-tax restructuring provision of nearly Fl 175m, but this was still lower than the 1991 net charge of Fl 111m.

As expected, Akzo said it would hold its dividend at Fl 6.50.

Airtours avoids takeover inquiry

By Michael Skapinker, Richard Gourlay and John Willman

MR MICHAEL Heseltine, the UK trade and industry secretary, yesterday dismissed the recommendation of Sir Bryan Carsberg, director-general of fair trading, that Airtours' proposed takeover of rival holiday company Owners Abroad be referred to the Monopolies and Mergers Commission.

Mr Heseltine said the competition issues raised were not sufficient to justify a reference.

Last Friday, he received a report from the Office of Fair Trading (OFT) saying the proposed takeover warranted examination by the MMC.

It is the second time in two weeks that Mr Heseltine has overturned a recommendation from Sir Bryan. Earlier this month, he rejected advice that a merger of the infra-red defence components businesses of GEC and Philips Electronics be examined by the MMC.

Before that, the director-general's advice to refer a merger had been over-ridden only 11 times in 20 years.

If the Airtours takeover goes ahead it will have about 30 per cent of the UK package tour market, making it as large as Thomson, the biggest travel company. Smaller tour operators and travel agents told the OFT the two large companies would be able to force them out of business.

Mr David Crossland, Airtours chairman, said: "We are delighted by this decision. We remain firmly of the view that the combination of Airtours and Owners Abroad will prove beneficial to both consumers and shareholders alike."

The all-share offer currently values Owners Abroad at 114p and its partial cash alternative at 110p, some way below the 129p level at which its shares closed yesterday, up 13p on the day.

Computer unit helps Schindler advance

By Ian Rodger in Zurich

SCHINDLER, the second-largest lift group after Otis of the US, said its consolidated net income jumped 26.8 per cent last year to SFr110.7m ($74.62m), due largely to the consolidation of the Also computer services subsidiary and an unexpected improvement in interest income.

Excluding these special factors, net income was up 9.2 per cent to SFr95.3m on sales up 11.3 per cent to SFr4.46bn.

The directors have proposed raising the dividends on registered and non-voting shares from SFr25 per share to SFr26 and on bearer shares from SFr125 per share to SFr130.

Orders eased 1.1 per cent during the year to SFr4.2bn, but orders for lifts and escalators rose 3.9 per cent to SFr3.8bn. Overall, orders on hand at the end of the year stood at SFr2.9bn, 8.5 per cent lower than a year earlier, mainly because of a slump in demand for rolling stock.

Also, which distributes personal computers in Switzerland, was acquired in 1988, but proved initially unsuccessful. The group wrote down its investment, but brought it back into the financial statements last year after it completed its third year in profit.

VW set for management changes

By Christopher Parkes in Frankfurt

SWEEPING changes in the top management of Volkswagen, Europe's biggest carmaker, are expected to be approved at a meeting of the company's supervisory board next month.

Speculation about the outcome of the March 16 sitting revived yesterday when officials of the Lower Saxony government claimed that Mr Ferdinand Piëch, the new VW chairman, had enticed Mr Ignacio Lopez de Arriotua to quit his job at General Motors of the US.

Mr Lopez moved within GM from Europe to Detroit last year, taking with him a reputation as a hard-bargaining cost-cutter. He was recently promoted to vice-president and group executive in charge of worldwide purchasing.

GM denied the reports. "He is not leaving. He is happy here and is staying here", the company said.

However, Mr Piëch has already had marked success in poaching key GM managers. Before he left his former job as head of Audi, he brought in Mr Jürgen Gebhardt, former manager of Opel's car plant in Eisenach, as director responsible for production at the upmarket VW subsidiary.

Mr Erich Schmitt, another GM manager, was given a boardroom seat and responsibility for purchasing and finance.

Yesterday's reports that Mr Lopez was to join VW were given extra credibility by their origins. The Lower Saxony government, with 20 per cent of the shares, is VW's largest stockholder and is represented with several seats on the supervisory board.

Ferdinand Piëch: successful in poaching GM managers

Other changes expected at the board meeting include the replacement of Mr Dieter Ullsperger, finance director, and directors responsible for legal affairs and the environment. Mr Daniel Goendevert, deputy to Mr Piëch and responsible for the Volkswagen brand, is expected to be given other day-to-day responsibilities.

Deteriorating conditions in VW's markets were underlined yesterday by the announcement that group sales worldwide fell more than 16 per cent in January.

Incoming orders were still unsatisfactory, the company said, and short-time working was likely to be continued into the second quarter of this year.

Exchange rates limit Glaverbel

By Andrew Hill in Brussels

GLAVERBEL, the Belgian glassmaker, yesterday blamed "competitive devaluation" of European currencies for a slump in export sales during the second half of 1992.

Net profits at Glaverbel, western Europe's third-largest producer of flat glass, edged up to BFr715m ($21.4m) in 1992, from BFr710m in 1991.

Sales rose to BFr33.1bn, from BFr30.8bn overall – an increase of 7.7 per cent. But, in the second half, sales grew by only 3 per cent, excluding the group's Czech operation.

Glaverbel blamed a decrease in sales to Italy, Spain and the UK after devaluation, or suspension of their currencies from the European exchange rate mechanism in the autumn. Belgium has insisted on linking the Belgian franc to the D-Mark, which has given Glaverbel's competitors, such as Pilkington of the UK, a hefty price advantage.

The group said it had also suffered from further price reductions in the European market, although increased sales in added-value products, such as automotive glass and laminated products for construction, helped compensate for the decline.

Glaverbel is struggling to regain the prosperity of 1990, when net profits stood at BFr2.27bn. The economic slowdown in Europe and the US has undercut the group's sales of raw glass over the last two to three years.

Net income for the group increased last year to BFr1.02bn, from BFr799m, but Glaverbel said that most of the growth was in partly-owned subsidiaries outside Belgium.

Jyske Bank in the red but holds payout

By Hilary Barnes in Copenhagen

JYSKE BANK, Denmark's fourth-ranking bank, is holding the annual dividend at 10 per cent after reporting a net loss of DKr919m ($148.16m) last year against a profit of DKr47m in 1991.

Loss provisions increased to DKr1.26bn from DKr873m. A write-off of DKr344m by a Gibraltar subsidiary contributed heavily to the provisions.

The second main item in the group's poor performance last year was a loss of DKr25m on the adjustment for the value of the securities portfolio. In 1991, this item yielded a gain of DKr558m.

The group slimmed the balance sheet by almost DKr10bn to end the year at DKr53.3bn. The slimming exercise was a factor helping to increase the group's capital adequacy ratio to 11.9 per cent from 11.6 per cent in 1991. The legal minimum last year was 10 per cent.

The loss per share last year was DKr128m. The loss was equal to 30.4 per cent of shareholder's equity, which was reduced from DKr3.44bn to DKr2.60bn, the bank said. The group budgets for a profit on its ordinary activities of DKr150mto DKr250m in 1993.

Business TV planned for Asia

By Raymond Snoddy in London

AN INTERNATIONAL consortium is planning to launch Asia's first business news satellite channel later this year.

The backers of the channel include Tele-Communications, the largest cable operator in the US, and Television New Zealand, the national broadcaster which is owned by the New Zealand government.

The other shareholders are Singapore International Media and Business News Network of Hong Kong.

EBRD set to take 20% stake in Romanian bank

By Virginia Marsh in Bucharest

THE EUROPEAN Bank for Reconstruction and Development is set to become the first western financial institution to take an equity stake in a Romanian commercial bank since the end of communist rule in 1989. It has agreed in principle to take a 20 per cent stake in the Ion Tiriac Bank.

The bank, the country's first post-communist private commercial bank, was founded in 1991 by Mr Ion Tiriac, the Romanian-born former tennis player. Mr Tiriac and his companies own 25 per cent of the bank with the remainder held by more than 5,000 mainly local shareholders.

The bank has declared a provisional profit of 7.1bn lei ($13m) for 1992 on turnover of 53.6bn lei. This represents a return of 238 per cent on the bank's paid-up capital of 3bn lei. The bank intends to increase its capital with the EBRD expected to pay Ecu6m ($7.17m) for a 20 per cent stake in the recapitalised bank.

Shuffle at the top for SocGen

By Alice Rawsthorn in Paris

SOCIETE Générale, one of France's largest banks, has shuffled its senior management by making Mr Daniel Bouton, 42, chief executive, succeeding Mr Jean-Paul Delacour, 62, who becomes deputy chairman.

Mr Bouton joined Société Générale two years ago from the finance ministry, where he held senior roles under socialist and conservative governments.

His previous position at the bank was as director in charge of special projects.

French food retailer falls 10% to FFr438m

By Alice Rawsthorn

CASINO, one of France's largest food retailing groups, yesterday announced a 10 per cent fall in net profits to FFr438m ($80m) in 1992 from FFr484m in 1991.

The group, which last year acquired the supermarket interests of Rallye, another large French retailer, attributed the decline in net profits (which have been restated for 1991 to allow for the Rallye deal) to a reduction in exceptional gains. It registered an exceptional loss of FFr113m last year, against an exceptional profit of FFr145m in 1991.

Sales increased to FFr61.6bn from FFr40.63bn in 1991, largely due to the inclusion of the Rallye units. Operating profits rose to FFr1.32bn from FFr775m last time with pre-tax profits increasing to FFr845m from FFr464m.

Casino, like other French retailers, has also been affected by weak economic conditions. Consumer spending was static in France last year.

Chargeurs in TV investment

CHARGEURS, the French textile and media group, is expanding its satellite broadcasting interests by investing FFr200m ($80.8m) in CanalSatellite, the satellite channel launched last autumn by the Canal Plus television group, writes Alice Rawsthorn.

The investment from Chargeurs, which is already involved with the BSkyB direct broadcast satellite channel in the UK, forms part of a FFr300m capital increase for CanalSatellite.

Canal Plus has launched CanalSatellite as a move into other areas of television.

INTERNATIONAL COMPANIES AND FINANCE

Dell share price slides as equity offer is dropped

By Martin Dickson in New York

SHARES in Dell Computer, the fast-growing US personal computer manufacturer, plunged by almost 15 per cent yesterday morning when the company announced it had withdrawn a planned share offering due to "unfavourable market conditions".

The offering of 4m shares had originally been timed for last December but was then delayed until early March following controversy over the company's reporting of trading in foreign exchange.

Investors nervous at this fresh blow to the company's public relations image sent Dell's shares down $5⅜ to $30⅜ in morning trading on the Nasdaq over-the-counter market yesterday.

Mr Tom Meredith, Dell's chief financial officer, argued that "with interest rates where they are and with currently low price/earnings multiples for technology stocks, we can do better for our shareholders by accessing other sources of capital". He added: "We have a strong financial position that allows us to take our time and pick the method for funding our growth that best fits our needs."

Dell, a pioneer in the direct selling of computers over the telephone, is one of the fastest-growing companies in the intensely competitive US personal computer market.

The company predicted yesterday that its revenue growth in the fiscal year to next January would exceed 70 per cent and make Dell a $3.4bn to $3.7bn turnover business. It forecast earnings per share of $3.3 to $3.75 for 1993-4, against analysts' expectation of around $2.57 in the year to last month.

Dell said it would release its fourth-quarter results on March 9 and said it did not expect any appreciable change from the projections announced on February 1, when it forecast revenues of $615m – slightly below analysts' expectations, but more than double the previous year.

The currency controversy arose last November when a Wall Street analyst suggested the company might have inflated earnings through its method of accounting for foreign exchange trading. Dell denied this.

Cyanamid to spin off $1bn chemicals arm

By Karen Zagor

AMERICAN Cyanamid, the US pharmaceuticals and chemicals company, is to spin off its $1bn chemicals business to shareholders later this year.

The company had announced a restructuring of its chemical operations as far back as December 1991, and a spin-off was widely expected. The announcement, however, came earlier than anticipated.

Cyanamid has steadily distanced itself from its chemical operations over the past two years.

It has already sold eight chemicals businesses and last year its remaining chemical operations were set up as a separate unit, with its own headquarters, under the Cytec Industries name.

Cyanamid's chemicals business had 1992 operating earnings of $34m, up 6 per cent from 1991, while sales slid 8 per cent to $1.05bn. In contrast, the company's medical group saw sales rise 10 per cent in the year to $2.89bn although operating earnings rose a more moderate 3 per cent to $395m.

The decision to move away from chemicals to concentrate on higher-margin drugs and life sciences operations was widely applauded in 1991, at a time when many pharmaceuticals companies saw earnings growth in the 20 per cent range.

In recent months, however, Cyanamid's stock price has fallen, along with other pharmaceutical company issues, amid concern that the Clinton administration's criticism of high drug prices will translate into slower earnings growth.

The spin-off, which is subject to regulatory approval, is expected to be completed towards the end of the year. Terms were not disclosed.

Operating loss posted by Black & Decker

By Karen Zagor in New York

BLACK & Decker, the US household equipment maker, yesterday posted a fourth-quarter operating loss of $26.2m, partly reflecting continuing pressure on profits in European markets.

A year earlier, the company had operating income of $134m during the quarter.

The company's results were distorted by an after-tax charge of $134.7m to reorganise its Dynapert business and to reduce manufacturing overcapacity in consumer and commercial businesses, mainly in Europe.

Black & Decker's balance sheet was also muddied by the adoption of new accounting standards.

Including one-time items, the company suffered a fourth quarter net loss of $122.8m, or $1.51 a share, against net income of $31.9m, or 47 cents.

Stripping special items, Black & Decker said it earned 34 cents a share in the latest quarter. Revenues in the three months to December 31 rose 3 per cent to $1.39bn from $1.35bn.

On Wall Street, Black & Decker stock edged $1¼ lower to $17¾ before the close.

The shares were trading at around $20 in September, before the company warned investors of disappointing third-quarter earnings.

At that time, the company blamed its unsatisfactory outlook on deteriorating European economies.

Looking to the future, Mr Nolan Archibald, chairman and chief executive, said: "With expectations for continued economic weakness in Europe and sluggish recovery in the US, we cannot rely on strengthening market conditions to improve our financial results."

For the full year, Black & Decker recorded a net deficit of $345.2m, or $4.52 a share, compared with net income of $49.9m, or 81 cents in 1991. Revenues rose to $4.78bn from $4.64bn.

Excluding special items and accounting changes, the company said net income rose 25 per cent in 1992 to $66.4m from $53m.

Earnings per share fell to 72 cents from 81 cents, reflecting an increase in shares outstanding.

Unlikely allies fight Canada's telephone war

Upheavals in the market will be increased by the battle's ferocity, writes **Bernard Simon**

A FEROCIOUS battle between two pairs of unlikely partners is unfolding in Canada's long-distance telephone market. In one corner is an alliance between Stentor, the consortium of stuffy Canadian utilities which for years held a monopoly on domestic trunk services, and MCI, the Washington-based company which, in less than a decade, has captured 17 per cent of the US long-distance market.

The nearest thing to MCI in Canada is Unitel Communications. Unitel had its origins more than a century ago as a telegraph service for Canadian Pacific and Canadian National railways, but last year gained regulatory approval to break Stentor's grip on long-distance phone calls.

Unitel has hopped into bed with the grand old man of US telecommunications, American Telephone & Telegraph. AT&T is buying a 20 per cent stake in the Canadian company, leaving Canadian Pacific with 48 per cent and Rogers Communications with 32 per cent. Rogers is Canada's biggest cable-TV operator.

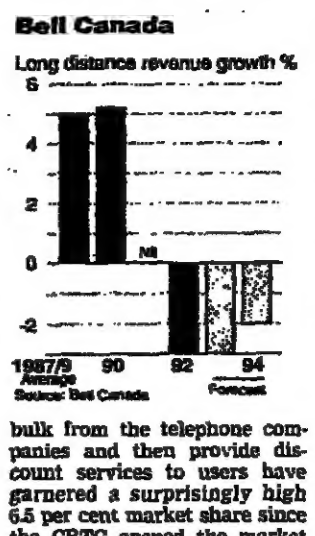
Besides testing the maxim that opposites attract, the alliances are bound to increase the upheavals in the Canadian telecommunications market. They will compete fiercely to bring new products and services to telephone users. Mr Perrin Beatty, Canada's communications minister, is confident the rivalry will stimulate what he calls "our premier high-tech industry".

The cross-border partnerships are also likely to lead to closer integration of telephone services between the two countries.

Both sets of partners plan to create "seamless" data and voice networks across the border. "Whether you're communicating with your affiliate in Canada or the US, it will look identical," says Mr Richard Stursberg, Unitel's senior vice-president for government affairs. "You'll have a single set of products, a single point of ordering for services and a single bill."

Regulatory barriers are crumbling in Canada. A ruling by the Canadian Radio-television and Telecommunications Commission (CRTC) cleared the way for Unitel to start offering long-distance service last November in competition with the Stentor consortium.

Unitel, which claims to undercut Stentor charges by an average of 15 per cent, says it has signed up 65,000 residential customers and "several thousand" business subscribers, mostly in Toronto, Montreal and Vancouver. Although this is a minuscule share of the total market, Unitel is extending its services to more cities, and claims to be well ahead of its projections. Meanwhile, resellers, who lease lines in bulk from the telephone companies and then provide discount services to users have garnered a surprisingly high 6.5 per cent market share since the CRTC opened the market to them in 1990.



It is rumoured that one of the resellers will soon link up with GTE Sprint, the third-biggest US long-distance carrier.

The Stentor consortium is not taking the challenge lightly. Unitel subscribers require a 17-digit code to connect from the local network (owned by the Stentor members) to Unitel's long-distance lines. An abortive court challenge by Stentor against the CRTC decision has delayed by six to seven months Unitel's plans to offer direct access to the long-distance switches.

In other areas of their business, Stentor's members are pressing for faster deregulation. Mr Bob Kearney, chief executive of Bell Canada which is the most powerful member in the Stentor consortium, says a phone company should be allowed to carry whatever signals its customers want. "If the local video store wants us to carry its videos over the telephone line, why not?"

Unitel suspects an ulterior motive for the phone companies' conversion to the free market. "They think they can crush the competition before it gets out of the gate," says Mr Stursberg. Unitel has criticised Bell Canada's request for the first increase in basic local-service charges in a decade.

To compensate customers for the rate increase, Bell has offered to expand the local calling area in cities such as Toronto and Montreal. Unitel objects. "They're trying to make up for what they lost in the CRTC proceedings by re-monopolising large parts of the market," says Mr Stursberg.

Each of the Canadian companies contends its US partner will give it a headstart on its rival. Stentor was attracted by MCI's low costs, its sophisticated telecommunications software and its aggressive corporate culture. "They've come up the hard way," says Mr Kearney. In a bid to bring some of that culture to the Stentor partners, MCI will participate in joint marketing teams and others.

Mr Doug Cunningham, analyst at BBN James Capel in Toronto, notes that MCI's costs are almost one-third lower than AT&T's, and its customer base is heavily concentrated in the lucrative big-business market.

Stentor considered teaming up with AT&T. But Mr Kearney says "we wanted a more equal partnership than they were prepared [to offer]." He says MCI and Stentor favour building alliances with telephone companies in other parts of the world rather than, as he puts it, going "toe-to-toe with the Bundespost" as AT&T might do.

But Unitel sees AT&T's muscle as a plus. As part of the deal, it gets access to AT&T's switches, transmission facilities and other network technologies. Unitel can also adapt AT&T's US products to the Canadian market.

As an example of what AT&T can provide, Mr Stursberg cites sophisticated toll-free services which automatically route a call to the closest office from the point where the call originates, or roll over calls to offices in different time zones.

AT&T's stake in Unitel is limited by law to 20 per cent. But an indication of its influence is the recent appointment of senior AT&T managers to top network, operations and marketing jobs at Unitel.

World chip market 'to grow 17%'

TEXAS Instruments expects the worldwide semiconductor market to grow 17 per cent to $70bn in 1993, up from about 10 per cent and $59.9bn in 1992, AP-DJ reports.

The upturn will be spurred primarily by an improved US market and strong growth in the Asia-Pacific region, the company said.

It estimates the US semiconductor market will grow at 25 per cent to $23bn, due primarily to strong demand for computers and communications products. For the first time since 1985, the North American semiconductor market will be larger than Japan's, the US company predicted.

Japan will see market growth of 5 per cent in 1993, against a 7 per cent decline in 1992. Its semiconductor market is expected to reach $30.4bn.

Mexican cement group 13% ahead

By Damian Fraser in Mexico City

CEMENTOS Mexicanos, the world's fourth-largest cement company, lifted net profits to 1,725m new pesos ($548m) last year, a real increase of 13 per cent over 1991.

The rise shows Cemex has weathered the slowdown in the Mexican economy. Domestic cement sales rose by 7 per cent last year, with an increase of 12 per cent in the fourth quarter. Mr Lorenzo Zambrano, chief executive, said: "Cemex has continued to grow and to upgrade operations despite the modest economic deceleration in Mexico.

"Domestic demand for cement showed a significant increase during the second half of the year. We believe this is an indication that the sector has begun to recover from the slowdown during the first half of the year."

Cemex's operating profits reached 1,689m new pesos, 16 per cent more in real terms than 1991.

Cemex's $1.8bn purchase of the Spanish cement companies, Sanson and Valenciana, late last year hardly affected the results. The higher interest on the debt taken out by Cemex was largely offset by the Spanish companies' earnings of $8.5m in the last quarter.

The Spanish companies' margins were 7 per cent, compared with 25 per cent in Mexico.

Foreclosure begun on Reichmann empire

By Robert Gibbens

THE dismantling of the Reichmanns' Canadian property empire is moving ahead.

The bondholders of First Canadian Place, the Reichmanns' former flagship property in Toronto, have begun foreclosure proceedings.

Mr William Maclean, chairman of the bondholders' committee, said the move followed the rejection on January 15 of Olympia & York Developments' financial restructuring plan by its creditors.

O&Y went into bankruptcy protection last May. Since the rejection of its restructuring plan, its creditors have been taking possession of the Canadian properties.

Mr Maclean said bondholders for First Canadian Place, once valued at $450m, were acting with the Bank of Montreal and North American Life to ensure the 2.5m sq ft building would have a sound future.

Construction slump hits St Lawrence

By Robert Gibbens in Montreal

THE LONG recession and slump in major construction activity in eastern Canada and the north-east US deepened losses at St Lawrence Cement, the Swiss Holderbank's Canadian arm, in 1992.

Fourth-quarter loss deepened to C$18.2m (US$14.2m), or 43 cents a share, against a loss of C$925,000, or 2 cents a share, a year earlier. Sales at C$136m were little changed.

The year's loss was C$39.9m, or 94 cents, against a loss of C$5.7m, or 14 cents, in 1991. Sales dipped 7.5 per cent to C$467m. The results include a C$13m restructuring provision.

St Lawrence said it did not see any resumption of growth in construction for several years.

Profits are revised down at Siam Cement

By Victor Mallet in Bangkok

SIAM Cement, the largest cement producer in Thailand, yesterday disclosed that its audited net profit in 1992 was substantially lower than the unaudited profit figure announced last month.

The audited, unconsolidated figures showed net profit of Bt3.56bn ($142m), more than Bt400m below the previously announced sum of Bt3.98bn, and also below the Bt3.89bn made in 1991.

The discrepancy is largely due to higher operating expenses. According to Siam Cement's audited statement, operating costs were Bt5.38bn in 1992, higher than the unaudited figure of Bt4.96bn.

A Siam Cement official told Reuters that the revision of costs was partly related to investment in its new Khao Wong plant, one of the world's largest cement factories; it cost nearly Bt10bn and has a capacity of 3.6m tonnes a year.

Investors were disappointed with Siam Cement's 1992 performance even before yesterday's announcement. Yesterday, the shares closed unchanged at Bt488 in a rising market.

The cement shortages which characterised the Thai construction boom of the late 1980s have given way to overcapacity in the industry, with newcomer TPI Polene investing heavily in new plant.

Demand for cement in Thailand is now estimated to be growing at a modest 4 to 5 per cent a year, after 18 per cent only a year ago, but is likely to be boosted by numerous projects to improve transport and other infrastructure, including the construction of a new Bangkok airport, in the years ahead.

Siam Cement's unconsolidated sales in 1992 slipped to Bt33.35bn from Bt33.80bn in 1991.

The company also declared an unchanged final dividend yesterday of Bt9 a share, making a maintained total of Bt18 for the year.

Banks fail to agree terms for Nippon Housing rescue

By Charles Leadbeater in Tokyo

NINE banks which back the Nippon Housing Loan group, the Japanese financial institution which has been worst hit by the implosion of the property market, yesterday failed to agree on a rescue package for the company.

The future of the group, thought to have bad loans worth more than half its outstanding loan book of Y2,200bn ($18.9bn), is the most sensitive issue facing the troubled Japanese banking industry.

Nippon Housing Loan, which aggressively expanded its property lending in the 1980s, has become a test case for whether the commercial banks can find a co-operative, private sector solution to the bad loans afflicting Japan's banking system.

The rescue talks have been orchestrated by the Bank of Japan and the Ministry of Finance. As yet, the government has insisted it will not fund a rescue package. However, if the banks which are the main lenders to Nippon Housing cannot agree a rescue plan, pressure for government intervention will grow.

The nine commercial banks, which include Sanwa Bank and Sakura Bank, set up Nippon Housing Loan in 1971 to lend to home buyers and property developers. Agricultural banks, led by Norinchukin, later became large lenders to Nippon Housing.

The banks yesterday rejected a restructuring plan presented by the company, which called for all fresh loans to be made at the short-term prime rate of about 4 per cent. The banks were also asked to forego interest payments on outstanding loans for the next 10 years.

About 30 per cent of Nippon Housing's finance is provided by the commercial banks.

Nippon Housing is estimated to need about Y60bn in fresh loans by the end of March 1994 to help it to reimburse maturing mortgage securities, which it marketed aggressively in the late 1980s. The outstanding securities are worth about Y300bn.

Nippon Housing asked the agricultural banks to cut their interest rates on loans to 4.5 per cent and other institutions to 2.5 epr cent.

The financial authorities are likely to encourage the banks involved to resume the talks as soon as possible to avoid risking triggering a crisis of confidence in the bank.

Mayne Nickless holds steady

By Kevin Brown

MAYNE Nickless, the Australian transport, security, medical and communications group, yesterday blamed subdued international trading conditions for a 0.2 per cent increase in net profit to A$48.5m (US$33.4m) for the six months to January 3.

The group said the result was "steady," and in line with forecasts in the annual report. But the interim dividend was reduced to 15 cents, franked to 30 per cent, from 17.5 cents, franked to 35 per cent.

Mayne said earnings before interest and tax increased by 14.6 per cent to A$85.6m. The improvement reflected better results from the transport and healthcare divisions following extensive rationalisation.

The board said revenue improved by 11.1 per cent to A$1.4bn, reflecting the acquisition of the Centropa Group of companies in Europe, the John Fawkner Hospital in Melbourne and Interlink in the UK.

It said revenues were maintained in most operating divisions in spite of difficult trading conditions, confirming the underlying strength of the group's diversified operations.

Mayne reported an equity-accounted loss of A$12.3m on Optus, the telecommunications group established to compete with Australia's government-owned carrier.

The board said it had capitalised an interest cost of A$7.7m because of the nature of the investment. It said "solid progress" had been made by Optus, and the investment would generate strong future returns.

Mayne holds a 25 per cent stake of Optus, a joint venture with Cable & Wireless of the UK, BellSouth of the US, the AMP Society, National Mutual and other Australian financial institutions.

Mr Bill Bytheway, managing director, said a proposed flotation of Optus would probably not take place until the second half of 1994 because of forecast delays in a proposed ballot of telephone users.

Mayne shares closed 22 cents lower at A$6.97 on the Australian Stock Exchange.

Hong Kong and China Gas ahead 20%

By Simon Davies in Hong Kong

HONG KONG and China Gas, Hong Kong's monopoly gas supplier controlled by the Lee family's Henderson Investment, yesterday announced a 20 per cent increase in net profit to HK$936m (US$121m) in 1992, up from HK$779m in the previous year.

Earnings were boosted by 12 per cent growth in Towngas sales. The results were in line with expectations, but the share price reacted favourably to the announcement of a one-for-five bonus share issue.

There was a 7 per cent increase in gas tariffs from the start of 1993, and Mr Lee Shau Kee, chairman, predicted an increase of 70,000 customers during the year and double-digit sales growth.

The company's enlargement of its Tai Po plant will double capacity to more than 11m cubic metres.

Pioneer's half-term profits fall to A$71.5m

By Kevin Brown

PIONEER International, the Australian building products and petroleum group, yesterday announced a 20 per cent fall in interim net profit to A$71.5m (US$49m), and warned that full-year profit was likely to fall sharply.

Mr Rodney Price, chief executive, said the result for the six months to the end of December was "quite commendable" in the light of tough trading conditions in Australia, the UK and Spain.

Mr Price said the "subdued" outlook for the second half indicated that profit for the full year would fall well short of the record level of A$178m in 1991-92.

However, the board maintained the interim dividend at 7.5 cents, franked to 35 per cent, and indicated that the longstanding policy of maintaining dividend payments would continue. Operating revenue was steady at A$2.6bn.

Pioneer said pre-tax profit from its building materials businesses fell by 31 per cent to A$82.5m. Building materials profit in Australia fell by 20 per cent to A$47m.

Profit from European operations fell by half to A$24m, mainly because of recession in the UK and a downturn in Spain following the Olympic Games. Asian profit fell to A$600,000, mostly because of uncertainty in Hong Kong.

Pioneer said Ampol, its wholly-owned petroleum subsidiary, suffered a 19 per cent fall in profit to A$38m. Higher sales were offset by poor refining margins and renewed retail petrol discounting.

The group said it would retain a A$43m investment in Westpac, the Australian bank, which hit the group's share price after it was revealed last year. Pioneer said it stood to make a profit of A$10m on the investment at current share prices.

Pioneer shares fell 9 cents on the Australian Stock Exchange to A$2.36.

Packer hires a 'deal maker' to lead new ConsPress expansion

By Kevin Brown in Sydney

MR KERRY PACKER, the Australian industrialist and publisher, yesterday announced the appointment of Mr Brian Powers to replace Mr Al Dunlap as managing director of Consolidated Press Holdings (ConsPress).

Mr Packer, the sole shareholder in ConsPress, said Mr Powers would lead the company through "a period of growth and development". The announcement fuelled speculation that Mr Packer is planning a substantial acquisition.

ConsPress recently acquired a 10 per cent stake in Westpac, the troubled Australian bank, and is rumoured to be considering a bid for MGM Pathe Communications, the US film studio.

Mr Powers, 43, is a partner in Hellman and Friedman, the US investment bank, and a director of John Fairfax, the Australian newspaper group controlled by Mr Conrad Black's Daily Telegraph group.

His appointment follows the resignation of Mr Dunlap, who returned to the US last week after completing two years of a five-year contract, during which he disposed of most of the group's non-core businesses.

Mr Dunlap, who earned the sobriquet "chainsaw" for his zeal in cutting operating costs, is believed to have left ConsPress after a disagreement with Mr Packer about the legal interpretation of his remuneration package.

Kerry Packer: rumours of a substantial acquisition soon

He reduced ConsPress to three main businesses – 49 per cent of Valassis Communications, the US coupon insert business; 42 per cent of Nine Network, Australia's top-rated television channel; and 45 per cent of Australian Consolidated Press, the leading domestic magazine publisher.

Mr Powers, who was closely involved in the acquisition of the Fairfax group by a consortium led by Mr Black, is regarded by analysts as a deal maker whose style may be more in line with Mr Packer's renewed interest in expansion.

Murray and Roberts posts midway setback

By Philip Gawith in Johannesburg

THE depressed South African economy and industrial action caused earnings at Murray and Roberts, the construction, engineering and supplies group, to fall in the six months to the end of December.

Turnover rose 23 per cent to R3.27bn ($1.04bn) from R2.65bn, but this was largely attributable to a number of acquisitions made during 1992 involving Blue Circle, Darling & Hodgson and Standard Engineering.

These acquisitions also helped boost operating profits by 19 per cent to R340m from R286m and attributable earnings by 16 per cent to R111m from R96m.

An increase in the number of shares in issue, however, meant earnings per share fell by 13 per cent to 177 cents from 204 cents.

The dividend, however, was increased by 6 per cent to 56 cents from 53 cents a share.

Mitsukoshi in red as retail sales plummet

By Charles Leadbeater

MITSUKOSHI, Japan's most prestigious retailer, yesterday underlined the severity of the downturn in consumer spending in Japan by announcing it would make a pre-tax loss of Y2.5bn ($21.5m) in the year to February.

Mitsukoshi has been hit by rising costs from its heavy investment programme in the late 1980s and a slump in demand for luxury goods.

The company, which made a Y10.9bn pre-tax profit last year, had estimated it would make a Y1.8bn profit this year. But the sharp downturn in consumer spending in the second half, which continues unabated, has forced a further downward revision in profits.

The company will make an after-tax profit, but only by selling assets. After-tax profits are expected to fall by about 70 per cent to Y1.5bn.

Takashimaya, another leading department store, also recently lowered its profit forecast for the year. More retailers are expected in the next few weeks to announce profits sharply lower than expected last year.

- Suntory, the leading liquor manufacturer, reported an 11.3 per cent drop in pre-tax profits in the year to December. The company's sales were 5.2 per cent down at Y758bn.
- Pilot, the pen and office equipment manufacturer bucked the trend of recent results by announcing a 25.3 per cent increase in pre-tax profits to Y418m in 1992.
- Canon, the camera and office equipment maker, yesterday reported a 31 per cent fall in consolidated pre-tax profits to Y101.63bn for 1992.

Sales edged up by 2.4 per cent to Y1,910bn from Y1,870bn, held back by the appreciation of the yen, while earnings per share fell 29 per cent to Y48.82. Canon said its markets in south east Asia and China grew further in 1992 and those the US economy crept back in the second half. But these bright spots were countered by the slowdown in western Europe and Japan.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

	Provisional Price for Trading on 25.02.93	Final Prices for Trading on 22.02.93	
HZ hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh
0030	19.57	16.88	16.88
0100	22.77	21.68	23.20
0130	27.05	27.02	28.75
0200	27.05	27.02	28.71
0230	24.90	21.68	23.15
0300	24.90	21.68	23.15
0330	24.90	21.68	23.15
0400	22.74	21.68	23.16
0430	21.27	18.37	18.87
0500	21.27	18.28	18.28
0530	21.33	17.75	17.75
0600	18.28	17.75	17.75
0630	22.49	17.86	17.86
0700	22.57	18.88	18.88
0730	22.67	22.89	24.44
0800	28.45	22.76	24.29
0830	24.43	22.89	24.42
0900	28.45	22.89	24.42
0930	28.06	22.89	24.42
1000	28.45	22.88	24.42
1030	28.45	22.88	24.42
1100	28.45	22.89	24.42
1130	25.45	22.88	24.41
1200	28.09	22.90	24.41
1230	28.45	27.86	28.53
1300	24.83	24.90	28.48
1330	24.82	22.89	24.41
1400	24.72	19.44	13.44
1430	24.49	19.32	18.32
1500	19.67	19.31	18.51
1530	20.00	19.32	19.32
1600	20.00	19.32	19.32
1630	22.20	22.92	24.43
1700	24.83	28.18	30.03
1730	25.79	28.90	30.75
1800	27.29	28.91	30.74
1830	27.29	28.21	29.88
1900	27.25	27.90	29.48
1930	27.19	25.31	26.84
2000	27.06	22.89	24.37
2030	23.20	22.89	24.37
2100	24.43	22.88	24.37
2130	23.20	22.89	24.39
2200	23.20	21.66	23.13
2230	23.20	21.68	23.13
2300	18.85	18.54	18.54
2330	18.23	17.77	17.77
2400	18.78	17.74	17.74

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per Kilowatt-hour the decimal point should be moved one place to the left, eg £16.88/MWh becomes 1.688p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreement which governs the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by NGC Settlements Limited. Anyone wishing to receive such information should telephone [illegible] between 8.30am and 5.15pm Monday to Friday.

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INTERNATIONAL CAPITAL MARKETS

Currency movements supply focus as trade slows

By Tracy Corrigan in London and Karen Zagor in New York

FOREIGN exchange movements continued to provide a focus for activity in the bond markets, but the pace of activity slowed slightly as investors and dealers yesterday paused to examine the sharp recent movements in currency and bond rates, and in some cases decided to reassess recent shifts.

GOVERNMENT BONDS

■ GERMAN bond prices retraced some of the gains they made earlier in the week, but dealers said the declines appeared to represent a temporary correction rather than a shift in sentiment.

Prices shed ⅝-point after the latest provisional inflation data for February from several German regions showed less of a slowdown than dealers had hoped, prompting worries that any further cuts in interest rates could be delayed.

■ THE JAPANESE market continued to forge ahead, buoyed by the strength of the yen. Comments by Mr Yosihiro Hayashi, the Japanese finance minister, that another discount rate cut could not be ruled out helped spur enthusiasm for the market.

The 10-year No 145 benchmark was yielding just 3.79 per cent when the Japanese market closed yesterday, down from 3.93 per cent at Tuesday's close.

However, analysts warned that most of the good news was already in the market and foreign investors might start taking profits following the rally in both the Japanese bond and currency markets. For the moment, the market is being supported by Japanese domestic investors, who are still loath to buy Japanese equity or property.

■ THE weakness of sterling yesterday undermined the gilts market, which had been in a fairly bullish mood. The March gilt futures contract at the London International Financial Futures & Options Exchange ended at 103$\frac{1}{16}$, down from 103$\frac{23}{32}$ at Tuesday's close.

The Bank of England announced that it had finally finished selling two tranches of gilts totalling £1.35bn, announced on February 16. The slow sales of the issue did little to reassure traders. While the currency remains chronically weak, foreign investors are unlikely to help absorb future gilt issues.

■ US TREASURY prices settled into a narrowly mixed range yesterday morning as the market took a rest after five record-setting days.

In spite of declining prices, the yield of the Treasury's benchmark 30-year bond remained comfortably below the 7 per cent level in morning trading. By midday, the long bond was off ¼ at 103 $\frac{15}{32}$, yielding 6.841 per cent. At the short end of the market, the two-year note was $\frac{1}{32}$ lower to yield 6.841 per cent.

There was little reaction to news that durable goods orders fell 1.7 per cent in January, slightly less than the 2 per cent decline the market had expected.

The Federal Reserve arranged $2.5bn in customer repurchase agreements when Fed funds, the rate at which banks lend to each other, were trading at 2$\frac{15}{16}$ per cent.

The open market intervention, which adds funds to the banking system, was expected to counter a seasonal drop in vault cash – cash held by banks to satisfy reserve requirements. There was no policy meaning associated with the action. The Fed's perceived target for the rate remains 3 per cent.

■ ITALIAN bonds outperformed most other European markets, after a difficult couple of days, by staging a small rally when it emerged that the Christian Democrat party will back prime minister Giuliano Amato in Thursday's confidence vote.

However, dealers said that the prevailing mood remained very nervous.

FT FIXED INTEREST INDICES

	Feb 24	Feb 23	Feb 22	Feb 19	Feb 18	Year ago	High *	Low *
Govt.Secs.(UK)	96.52	96.54	96.57	96.32	96.13	88.55	96.57	85.11
Fixed Interest	112.50	112.41	112.25	112.06	111.83	101.49	112.50	97.15

Basis 100: Government Securities 15/10/26; Fixed Interest 1928.
* for 1992/93. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75)
Fixed Interest high since compilation: 112.50 (24/2/93), low 50.53 (3/1/75)

GILT EDGED ACTIVITY

Indices*	Feb 23	Feb 22	Feb 19	Feb 18	Feb 17
Gilt Edged Bargains	127.2	136.5	137.4	140.5	138.6
5-Day average	135.1	140.4	141.8	145.9	145.1

* SE activity indices rebased 1974

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	112.8111	+1.068	8.06	8.42	8.77
BELGIUM		9.000	03/03	109.7450	-0.255	7.59	7.76	7.65
CANADA *		7.250	06/03	98.8500	-0.250	7.41	7.70	8.00
DENMARK		8.000	05/03	95.5500	-0.200	8.67	8.72	8.42
FRANCE	BTAN	8.500	03/97	102.4183	-0.103	7.77	7.82	7.92
	OAT	8.500	11/02	106.1800	-0.160	7.57	7.72	7.89
GERMANY		8.000	07/02	107.6400	-0.350	6.87	6.97	7.16
ITALY		12.000	05/02	95.9500	+0.080	13.16†	13.09	13.29
JAPAN	No 119	4.800	06/99	105.2055	+0.375	3.78	3.98	4.21
	No 145	5.500	03/02	111.3553	+0.819	3.81	4.17	4.33
NETHERLANDS		8.250	06/02	110.3100	-0.080	6.72	6.84	7.17
SPAIN		10.300	06/02	91.3000	-1.100	11.87	11.52	11.82
UK GILTS		7.250	03/98	102-20	-	6.66	6.75	7.15
		8.000	06/03	51-06	-12/32	7.86	7.91	8.35
		9.000	10/08	105-27	-8/32	8.35	8.36	8.79
US TREASURY *		6.250	02/03	100-26	-	6.14	6.32	6.49
		7.125	02/23	103-15	+10/32	6.85	7.12	7.26
ECU (French Govt)		8.500	03/02	103.8550	-0.370	7.88	8.06	8.07

London closing, *denotes New York morning session. Yields: Local market standard. † Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

EC and National Bank of Hungary raise DM3.9bn

By Antonia Sharpe in London and Nicholas Denton in Budapest

THE European Community and the National Bank of Hungary between them raised a total of DM3.9bn in the international bond market yesterday.

The rapid placement of both seven-year issues reflected the strong demand for D-Mark-denominated paper and fanned expectations that more borrowers would tap this sector in the near-term.

The Kingdom of Belgium is studying proposals from various banks for a planned DM600m offering with a maturity of seven or 10 years, and is expected to make a decision by the beginning of next week.

Dresdner Bank, lead-manager of the EC's DM2.9bn offering, said that demand across the board allowed the bonds to be priced to yield 8 basis points above the 7¼ per cent bund due January 2000, at the lower end of the indicated range of 8 to 10 basis points.

He added that German institutions had also shown interest in the EC bonds despite their lack of yield pick-up over domestic bonds. He said they were attracted by the high quality of the borrower and by Dresdner's promise to ensure liquidity in the bonds by quoting a bid-offer spread in the bonds of just 5 basis points. When the bonds were freed to trade, they were quoted around their re-offer price of 99.75.

INTERNATIONAL BONDS

Hungary's DM1bn issue carried a yield spread of 265 basis points above the same underlying bunds as in the EC's issue. An official at the lead-manager, Deutsche Bank, said the bonds were mainly placed in the German retail market. After the syndicate broke, the bonds were quoted around 99.05, inside fees.

The offering, Hungary's largest ever in the international bond market, is part of the country's programme to borrow $1.5bn to $2bn abroad in 1993 to help service a foreign debt of $21.9bn. It also marks an increasing reliance on the international capital markets by the country, which carries a Ba1/BB+ rating, putting it just below investment grade.

The International Monetary Fund froze a special credit facility to Hungary last summer after the country's public-sector deficit broke through agreed limits.

Deutsche Bank also arranged a $200m five-year offering for United Mexican States, the premier credit among Latin American borrowers. The deal, the issuer's first Eurobond issue since the 1970s, will be priced today to yield 208 basis points above the when-issued five-year US Treasuries.

Elsewhere, Peugeot Talbot Motor Company tapped the Eurosterling market for the first time since 1981 with a £100m four-year offering, priced to yield 90 basis points over the 8¾ per cent 1997 UK government bonds.

Syndicate managers involved in the deal said the fact that Peugeot's long-term debt was not rated proved a drawback when placing the paper. The bonds were not freed to trade by late yesterday.

The day's other French borrower was Caisse Autonome de Refinancement, a public mortgage-refinancing body linked to the Caisse des Depôts, which raised FFr3bn. The maturity of six-and-a-half-years matched CAR's loans and when the bonds were freed to trade, their yield over the 8½ OATs due 1999 tightened to 28 from 30 basis points at launch.

Late in the day, Exxon Capital Corp awarded a mandate for a 10-year $250m offering to Kidder Peabody. The bonds are expected to be priced to yield 16 basis points over comparable US Treasuries.

National Australia Bank raised A$100m through a five-year offering, priced to yield 34 basis points over government bonds. The spread tightened later in the day to 29 basis points. Meanwhile, Tuesday's A$150m bond issue by Treasury Corp of Victoria was bid at 98.75, above the net price to underwriters of 98.35.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
United Mexican States(a)	200	(a)	(a)	Mar.1998	0.75/0.25	Deutsche Bank London
YEN						
Marubeni Corp.	30bn	4.6	101.86	Jun.1998	1.875/1.8	Yamaichi Int.(Europe)
Marubeni Corp.	20bn	4.3	101.5	Jun.1997	1.625/1.375	Nikko Europe
Mitsui & Co.	30bn	4.6	101.675	Jun.1998	1.875/1.675	Daiwa Europe
Mitsui & Co.	30bn	4.3	101.2	Jun.1997	1.625/1.5	Nomura Int.
D-MARKS						
European Community	2.9bn	6.5	101.2	Mar.2000	1.75/1.45	Dresdner Bank
National Bank of Hungary	1bn	9.25	101	Mar.2000	2.25/1.5	Deutsche Bank
FRENCH FRANCS						
CAR(b)	3bn	7.75	99.055	Dec.1999	0.3	CCF
STERLING						
Peugeot Talbot Motor Company	100	7.825	101.265	Dec.1997	1.875/1.575	NatWest Cap.Mkts.
AUSTRALIAN DOLLARS						
National Australia Bank	100	7.75	100.863	Mar.1998	2/1.375	Barclays de Zoete Wedd

Final terms and non-callable unless stated. a) Priced today to yield 208bp over the "when issued" 5 year US Treasury. b) Borrowers full name: Caisse Autonome de Refinancement.

Japanese groups face higher cost of raising funds

Emiko Terazono and Antonia Sharpe examine the impact of the expiry of equity-linked warrant bonds worth Y9,000bn during the year

FEARS that Japanese companies would try to refinance a large part of the Y9,000bn ($77bn) worth of equity-linked warrant bonds which expire this year by issuing more of the same have subsided, but Japanese industry is being forced to pay higher financing charges as a result.

The lacklustre outlook for the Tokyo stock market, as well as resentment among investors who took part in the large round of equity-linked financing at the end of the 1980s, has prompted large, blue-chip companies to redeem the expiring issues by taking out bank loans or by issuing straight bonds in the domestic debt market or in the Eurobond market.

They are opting for these methods of financing in spite of the additional borrowing costs of around 2 per cent. According to the Bond Underwriters' Association of Japan, domestic straight bond issuance by Japanese companies rose to Y2,469bn in the last nine months of 1992, slightly higher than the whole amount raised in 1991.

"We have to be responsible towards our investors," says Nissan Motor. "We can't issue a warrant bond with a strike price at Y700 when investors are holding old warrants with a strike price of Y1,600."

Nissan will finance its $1.5bn warrant bond which expires in October through the issue of straight bonds. Toshiba, the electronics company, says it will use bank borrowing and straight bonds to refinance its US$1.2bn warrant bonds expiring in November.

According to the Japanese finance ministry, about 70 per cent of the refinancing has already been scheduled. Half will be done through bank borrowings and the rest through mainly straight bonds and commercial paper.

Mr David Knee, economist at Daiwa Securities in London, believes that the fall in corporate liquidity in Japan in recent months also suggests that companies are not using their financial resources for investment but rather to pay off debts or shore up reserves.

Kleinwort Benson, in Tokyo, calculates that about Y244bn, or 3.6 per cent of pre-tax profits of industrial companies for the current financial year to March, will be absorbed by increases in interest costs and refinancing fees.

However, some Japanese companies are once again dipping into equity-linked financing to raise funds. In the last quarter of 1992, Japanese warrant bond issues reached $5.5bn, the most active period since the middle of 1991, according to IFR Securities Data.

The companies' approach has outraged some institutional investors. Critics claim that to help sell warrant bonds, underlying share prices are being artificially lowered before the terms on the warrants are fixed, bringing down the strike price.

Mr Kota Nakako, a senior analyst at Quick Research Institute, says that if market forces were really at work, no company would be able to issue equity-linked bonds. "It's back to the old Japanese ways where everyone is supporting the scheme and making it work," he says.

Indeed, the Bank of Japan warns that, in the long run, equity financing may not be as cheap as it looks at the moment. In a recent report, the bank says that the dilution of earnings per share due to equity-linked financing will lead to an eventual fall in share prices, thus reducing the scope for further equity-linked financing. However, this is a lesson some Japanese companies may not want to learn.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:05 pm on February 24

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	106½	107		4.41
ALBERTA PROVINCE 9 3/8 95	600	111	111½		4.87
[illegible]					

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ARBED 7 1/2 95 LFr	600	97¼	98¼	-⅛	8.79
ECSC 7 3/4 94 LFr	1000	99¼	100¼	-⅛	8.10
[illegible]					

DEUTSCHE MARK STRAIGHTS [illegible]

SWISS FRANC STRAIGHTS [illegible]

YEN STRAIGHTS [illegible]

FLOATING RATE NOTES [illegible]

CONVERTIBLE BONDS [illegible]

* No information available - previous day's price
† Only one market maker supplied a price

STRAIGHT BONDS: [illegible] FLOATING RATE NOTES: [illegible] CONVERTIBLE BONDS: [illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	14	51	12
Other Fixed Interest	3	3	9
Commercial, Industrial	222	324	870
Financial & Property	119	117	559
Oil & Gas	18	16	50
Plantations	0	2	6
Mines	51	12	76
Others	42	36	41
Totals	469	561	1,623

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Am'nt Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+ or -	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
51	F.P.	-	68	52	Intl. Food Machinery	67	-1	-	-	-	-
$10¼	F.P.	-	725	707	Mauritius Fund	723	+6	-	-	-	-
-	F.P.	-	93	92	Merlin Intl Units	92	-1	-	-	-	-
$210	F.P.	-	280	262	Motor World	263	-1	R6.3	2.5	3.2	16.4
-	F.P.	-	98	86	New City & Comml Inv.	86		-	-	-	-
-	F.P.	-	28	18	Do. Warrants	18	-1	-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price £	+ or -
-	F.P.	-	107p	102½p	Airtours 6¼p (Net) Cv Pf. (ex-div)	106½p	+1
100p	F.P.	-	120½p	115½p	Bristol Water 8¾pc Pf.	119p	
100p	F.P.	-	110½p	105¼p	Commercial Union 8¾pc Cn. Pf	110¼p	-¼
100p	Nil	-	44pm	33pm	First Nat. Finance 7pc Cv Rd. Pf.	40pm	
100	F.P.	-	114⅛	109⅛	NFC 7¾pc Cv Bd. 2007	110⅛	+½
60p	F.P.	-	60p	54p	Merlin Intl. Green Zero Prf.	59¼p	-¼

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+ or -
48	Nil	23/3	4pm	4pm	Allied Leisure	4pm	
320	Nil	31/3	62pm	55pm	Bellway	61pm	
440	Nil	11/3	97pm	70pm	Bowater Units	76½pm	+3½
490	Nil	24/3	102pm	53pm	Commercial Union	63pm	
450	Nil	15/3	105pm	96pm	Kingfisher Units	100pm	+3
15	Nil	29/3	3½pm	1½pm	ML Holdings	3½pm	
7½	Nil	5/4	8pm	7pm	MMI	7pm	-1
520	Nil	18/3	67pm	64pm	[illegible]	67pm	
40	Nil	11/3	42pm	32pm	PizzaExpress	33pm	-1
25	10p	1/3	23	12	Property Trust	23	
17	Nil	31/3	½pm	½pm	#SelecTV	½pm	
140	Nil	6/4	28pm	27pm	Triplex Lloyd	28pm	+1
345	Nil	9/3	70pm	55pm	Volex	66pm	-3
260	Nil	22/3	78pm	39pm	Wheway	55pm	-2
330	Nil	18/5	47pm	34pm	Yorkshire Chemicals	41pm	

a Annualised dividend. b Figures based on prospectus estimates. g Assumed dividend and yield. o Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1993. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. & Issued by way of rights. † Introduction. § Placing price. †† Reintroduction. [illegible] Unlisted securities market. [illegible] Issued in connection with reorganisation, merger or takeover. pm Price at a premium. [illegible] Units comprising 1 ord. and 1 zero pref. share.

TRADITIONAL OPTIONS

- First Dealings Feb. 22
- Last Dealings March 5
- Last Declarations June 3
- For settlement June 14

3-month call rate indications are shown in Saturday editions.

Calls in Aberdeen Petrlm., Acorn Computer, BTR warrants '93/94, Costain, Denka Business, Hanson warrants, Howden, Microvitec, Next, Premier Cons., Regalian Props., Sears and Vistec. Puts in Hartstone and Next. Doubles in Costain, Hanson warrants and Premier Cons.

FT-SE ACTUARIES INDICES

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LIFFE EQUITY OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Allied Lyons (*588)	550	50	61	67	4½	18	24
	600	16	30	42	23	43	48
ASDA (*62)	57	8½	13	15	2	5½	7½
	67	3½	8	10½	6½	10	13
Brit. Airways (*283)	280	17	25	31	11	24	28
	300	9	17	22	24	26	40
SmKl Bchm A (*438)	420	31	44	54	13	20	29
	460	12	27	35	34	45	51
Boots (*481)	460	35	48	57	7	20	25
	500	14	26	35	26	40	46
B P (*276)	260	24	31	36	5	12	15
	280	11	20	25	12	20	24
British Steel (*76)	70	10	14	16	3½	7	15
	80	4½	9	11	8½	12½	21
Bass (*577)	550	45	62	74	8	22	28
	600	16	35	47	30	45	50
C & Wire (*729)	700	49	65	76	12½	28	37
	750	19	37	50	35	54	62
Courtaulds (*558)	550	30	45	56	16	32	38
	600	10	22	34	47	62	67
Com. Union (*575)	532	47	54	61	8	16	25
	580	12	29	36	33	40	49
Fisons (*223)	220	20	30	38	14	26	31
	240	12	22	30	26	39	44
GKN (*466)	460	17	29	36	22	32	40
	500	5	15	20	53	58	66
Grand Met. (*444)	420	36	50	57	7	19	25
	460	13	29	36	27	39	45
I.C.I. (*1077)	1050	46	88	98	52	77	98
	1100	29	63	75	85	108	130
Kingfisher (*549)	535	31	44	53	13	32	40
	584	10	23	31	45	62	68
Ladbroke (*191)	180	19	27	33	10	16	23
	200	8	17	24	22	28	34
Land Secur (*481)	460	32	38	45	5	18	22
	500	8	16	25	24	44	45
M & S (*328)	300	35	38	45	3	8	12
	330	12	22	29	11	20	24
Sainsbury (*501)	500	23	35	45	15	29	34
	550	6	15	24	50	62	66
Shell Trans. (*582)	550	33	46	54	9½	18	27
	600	7	21	28	40	46	54
Storehouse (*181)	180	14	22	27	10	16	20
	200	6	14	18	22	28	32
Trafalgar (*78)	70	12	15	18	3	5½	7
	80	5½	10	12½	6½	11	15
Utd. Biscuits (*357)	330	35	38	44	6	13	18
	360	13	21	27	21	28	33
Unilever (*1187)	1150	52	72	94	25	40	48
	1200	22	47	69	52	67	75

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Brit Aero (*262)	260	4	25	35	½	26	36
	280	½	17	27	19	39	48
BAA (*771)	750	23	52	63	1	19	34
	800	1	25	38	29	45	56
BAT Inds (*928)	900	30	50	67	1	32	44
	950	1½	24	44	24	64	73
BTR (*551)	550	4	19	28	1	23	29
	600	½	5	11	50	61	63
Brit. Telecom (*406)	390	17	29	35	2	8	16
	420	1	13	18	16	22	32
Cadbury Sch (*458)	420	40	45	50	1	8½	14
	460	½	17	28	3	28	34
Eastern Elec (*457)	430	30	-	-	1	-	-
	460	1½	24	33	4	21	35
Guinness (*451)	420	35	41	48	1	12	19
	460	1½	18	27	10	32	38
GEC (*293)	280	15	24	28	1	6½	12
	300	1½	11½	17	8	15	23
Hanson (*248)	240	9½	15½	19½	1	7	11½
	260	1	6½	11	11½	18½	22½
LASMO (*173)	160	14	22	28	1	10½	16
	180	½	12	19	8	23	27
Lucas Inds (*141)	140	2½	14	19	1	14	18
	160	1	6	11	20	25	29
P. & O. (*546)	500	50	62	70	1½	20	26
	550	1	31	42	5	43	55
Pilkington (*111)	110	2½	12	16	1	9½	15
	120	1	8	12	10	15	20
Prudential (*308)	300	10	19	26	1½	13	19
	330	1	6	12	22	33	37
R.T.Z. (*649)	600	48	55	73	2	16	26
	650	1	25	44	5	40	50
Scot. & New (*432)	420	16	34	41	1	12	25
	460	1	15	24	29	35	48
Tesco (*232)	220	13	21	26	1	9	14
	240	1	11	17	10	20	24
Thames Wtr (*521)	500	24	31	44	1	11	21
	550	1	13	18	30	38	51
Vodafone (*382)	360	24	38	44	1	9	17
	390	1½	21	29	10	24	33

Option		Calls Mar	Calls Jun	Calls Sep	Puts Mar	Puts Jun	Puts Sep
Abbey Nat. (*384)	360	31	35	44	6	13	30
	390	9	19	28	21	29	34
Amstrad (*29)	25	5½	7	7½	1	2	3½
	30	1½	4	5	3	4½	5½
Barclays (*423)	420	19	31	39	20	30	42
	460	5	15	24	52	57	67
Blue Circle (*225)	220	14	22	27	11	26	30
	240	6½	14	19	25	39	44
British Gas (*288)	280	13½	18	23	4	12½	17
	300	4	8½	14	15	26	28
Dixons (*218)	200	23	31	33	4½	11	17
	220	12	19	23	12	19	26
Eurotunnel (*499)	460	54	73	89	10	28	40
	500	25	52	67	23	47	62
Glaxo (*650)	650	23	49	69	28	48	59
	700	9	30	48	66	79	90
Hillsdown (*153)	140	17	21	23	3	10½	14
	160	5½	10	14	12	23	26
Lonrho (*87)	80	10	15½	18½	2½	7½	10
	90	5	11	14	8	12	16
HSBC 75p shs (*586)	550	48	60	75	8	26	38
	600	17	34	50	28	52	63
Natl Power (*311)	300	18	28	33	5½	12	20
	330	4½	13	17	22	28	36
Reuters (*1322)	1300	50	87	122	37	67	90
	1350	25	65	95	65	95	117
R Royce (*128)	120	11½	15	19	4	9½	12
	130	6	10½	14½	8	14½	18
Scot Power (*234)	220	17	23	26	2	5½	13
	240	4½	11½	16	9½	15	23
Sears (*95)	90	8	11	14	2	6	7
	100	3	6	9	6½	12	15
Forte (*190)	180	16	22	26	5	15	21
	200	6	12	17	16	28	32
Thorn EMI (*820)	800	36	59	71	10	23	42
	850	12	32	44	35	52	71
TSB (*171)	160	16	23	26	3½	8½	13
	180	6	13	17	14	19	24
Vaal Reefs (*$40)	40	4	6	6½	2½	4	6½
	45	1	4	4½	6	7	9
Wellcome (*875)	850	47	76	102	19	40	53
	900	21	50	80	43	65	79

EURO FT-SE INDEX (*2815)

	2625	2675	2725	2775	2825	2875	2925	2975
CALLS								
Mar	193	146	104	67	38	20	9	4
Apr	205	161	121	88	60	39	24	14
May	-	-	146	-	80	-	45	-
Jun	-	-	155	-	101	-	-	-
Sep	-	-	-	-	145	-	105	-
PUTS								
Mar	5	9	15	28	51	83	122	167
Apr	14	20	31	47	70	98	133	173
May	-	-	45	-	86	-	-	-
Jun	-	-	-	-	105	-	-	-
Sep	-	-	-	-	130	-	-	-

FT-SE INDEX (*2815)

	2650	2700	2750	2800	2850	2900	2950	3000
CALLS								
Mar	170	126	86	53	28	13	5	2
Apr	183	143	107	75	50	32	19	10
May	201	163	131	97	72	53	37	25
Jun	214	177	144	113	89	67	51	38
Dec	-	255	-	200	-	150	-	110
PUTS								
Mar	6	11	21	38	66	104	149	198
Apr	18	25	40	60	86	118	157	200
May	30	42	57	77	102	133	169	208
Jun	44	55	70	90	115	145	181	218
Dec	-	103	-	140	-	190	-	250

February 24 Total Contracts 41,189
Calls 30,538 Puts 10,657
FT-SE Index Calls 3,538 Puts 3,840
Euro FT-SE Calls 2,584 Puts 306
*Underlying security price. † Long dated expiry months
Premiums shown are based on closing offer prices

FT-ACTUARIES FIXED INTEREST INDICES

	PRICE INDICES	Wed Feb 24	Day's change %	Tue Feb 23	Accrued interest	xd adj. 1993 to date
	British Government					
1	Up to 5 years (24)	129.56	-0.02	129.59	1.83	1.72
2	5-15 years (22)	148.42	-0.14	148.63	1.48	2.85
3	Over 15 years (8)	156.73	-0.18	157.01	1.42	1.80
4	Irredeemables (6)	178.18	+0.22	177.80	2.33	1.12
5	All stocks (60)	144.73	-0.10	144.88	1.63	2.28
	Index-Linked					
6	Up to 5 years (2)	183.26	-0.05	183.35	0.07	1.51
7	Over 5 years (12)	171.69	+0.19	171.36	0.68	0.87
8	All stocks (14)	172.09	+0.16	171.81	0.60	0.96
9	Debs & Loans (66)	127.50	+0.02	127.47	2.03	1.86

	AVERAGE GROSS REDEMPTION YIELDS		Wed Feb 24	Tue Feb 23	Year ago (approx.)
	British Government				
1	Low	5 years	6.60	6.59	8.56
2	Coupons	15 years	7.83	7.81	9.09
3	(0%-7¾%)	20 years	8.12	8.11	9.09
4	Medium	5 years	6.89	6.87	9.36
5	Coupons	15 years	8.32	8.29	9.15
6	(8%-10¾%)	20 years	8.49	8.47	9.12
7	High	5 years	7.06	7.04	9.59
8	Coupons	15 years	8.59	8.56	9.24
9	(11%-)	20 years	8.67	8.65	9.19
10	Irredeemables(Flat Yield)		8.54	8.56	9.29
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	2.04	2.02	3.61
12	Inflation rate 5%	Over 5 yrs.	3.48	3.49	4.28
13	Inflation rate 10%	Up to 5 yrs.	1.17	1.14	2.93
14	Inflation rate 10%	Over 5 yrs	3.29	3.30	4.10
15	Debs &	5 years	8.61	8.60	10.80
16	Loans	15 years	9.39	9.39	10.60
17		25 years	9.62	9.62	10.45

Exceptional charge of £1bn pushes pre-tax deficit to more than £1.2bn

BAe dividend pay-out surprises City

By Tony Jackson

BRITISH Aerospace's decision to pay a larger than expected dividend meant the company was feeling much more confident about the future, Mr John Cahill, chairman, said yesterday.

"We have reduced our break-even point, and it's going down further," he said. "We also have spare capacity to take up slack when the recovery takes place." Getting costs down was "a religion" in BAe, he added.

In spite of making a net loss of £888m, the company declared dividends worth £35m gross on top of £28m of preference dividends. That left distributable reserves of £87m. Mr Richard Lapthorne, finance director, said the policy was to have the gross dividend covered close to three times by earnings.

Shareholders' funds fell from £2.7bn to £1.78bn. Mr Lapthorne said that left "comfortable headroom" over the £1.6bn minimum net worth specified in the group's banking covenants.

Changes in accounting policy reduced profits by about £50m, Mr Lapthorne said. The largest items were a £47m write-off of launch costs on regional aircraft, offset by a reduction in pension fund payments of £59m to reflect pension surpluses.

Changes in accounting policy reduced profits by about £50m, Mr Lapthorne said. The largest items were a £47m write-off of launch costs on regional aircraft, offset by a reduction in pension fund payments of £59m to reflect surpluses.

The heaviest losses came in regional aircraft, which lost £337m at the operating level besides incurring exceptional costs of £1bn.

Losses in the second half were about £50m. They were likely to run at a lower level this year, according to the company.

Mr Cahill said: "The reason we lost £337m was partly to do with the market, but above all because costs are too high. The challenge for the new joint venture is to get costs out of the process." The UK plants supplying the joint venture had been given 36 months to reduce their overheads by between 25 and 30 per cent, he said.

Mr Lapthorne said adverse changes in the order book for Airbus meant BAe's share in the business would continue to consume cash until mid-1994, six months longer than expected.

The group made an operating loss of £75m (1991 profit £212m) for the year to December 1992. This was made up of a profit of £352m (£371m) on defence and £14m (£28m) on construction, offset by losses of £337m (£37m) on commercial aircraft, £49m (£52m) on motor vehicles, £2m (£24m) on property development and £53m (£74m) on other businesses and central costs.

After interest charges of £126m (£58m) and exceptionals of £1bn (£266m), there was a pre-tax loss of £1.2bn (£112m). After tax of £272m (£26m) and minorities of £41m (£51m), the net loss was £888m (£132m).

Glyn Genin

The four-nation Eurofighter at the Farnborough Airshow

Shrinking budgets but defence stays at the core

By David White, Defence Correspondent

THE WAY British Aerospace talks about its military business it would be easy to forget that defence budgets are shrinking throughout the industrialised world and that the UK Ministry of Defence is in the throes of fresh cost-cutting.

"The defence company is still at the core," said Mr John Cahill, the chairman who arrived at BAe last year as a newcomer to the arms business.

Mr Dick Evans, chief executive, echoed the optimistic tone about BAe's aircraft-to-ammunition defence division, which accounts for 40 per cent of group sales: "Overall performance remains strong, with excellent prospects for the future."

Last year's defence profits of £352m before interest and tax counterbalanced the £337m lost in commercial aircraft. However, the result was lower than the restated profit figure of £371m for the previous year. Military sales also fell to just over £4bn, compared with £4.27bn in 1991 and a peak of £4.64bn in 1990.

In spite of the recent decline, BAe claims to have outperformed the rest of the defence market since 1988 with an increase of about 10 per cent against an overall market decline of some 12 per cent.

The results of cost-cutting, including the closure of facilities in the missile, military aircraft and Royal Ordnance subsidiaries, were beginning to bear fruit, Mr Evans said. Labour costs had been reduced by 40 per cent since 1988. As a proportion of sales, labour and overheads had dropped from 45 per cent to 30 per cent.

Mr John Weston, chairman of BAe Defence, said all parts of the division were profitable. Additional cutbacks were likely but there were no further substantial closures in view.

Exports made up 74 per cent of BAe's military turnover last year, compared with a level in the mid-1980s of just over 40 per cent.

Prospects have been boosted in the last 12 months by three crucial breakthroughs: a £570m MoD contract to go ahead with the Asraam air-to-air missile, agreement on a revised programme for the four-nation Eurofighter and the recent Saudi order for 48 more Tornado bombers.

Mr Evans disclosed that payment for the Tornados, part of a package worth between £4bn and £5bn, would be separate from the current arrangements for the Al-Yamamah arms supply pact, to which Saudi Arabia dedicates 500,000 barrels of oil per day. Final payment details were still under negotiation, he said.

Rover still in loss as further jobs go

By Kevin Done, Motor Industry Correspondent

ROVER, the motor vehicles subsidiary of British Aerospace, incurred an operating loss before interest of £49m last year, compared with a loss of £52m in 1991 and an operating profit of £65m in 1990.

The company cut another 1,277 jobs from its UK workforce last month through an enhanced voluntary redundancy programme, Mr George Simpson, BAe deputy chief executive and chairman of Rover, said yesterday.

Rover eliminated 1,800 jobs last year with a reduction in the workforce to 33,200 at the end of 1992 against 35,000 at December 1991 and 40,500 at the end of 1990.

BAe said it expected Rover to move back into profit in 1993 after two years of losses, helped by:

- stronger new car demand, with UK new car sales forecast to rise from 1.59m to 1.65m in 1993,
- a further reduction in costs, following a 7.5 per cent improvement in productivity in 1992,
- the launch of the new Rover 600 large family car range in April, and
- improved competitiveness gained by last-autumn's devaluation of the pound.

Mr Simpson said break-even point had been reduced to a production of about 440,000 vehicles a year. The targeted break-even level remains 400,000 vehicles a year.

Rover vehicle production declined from 419,881 to 404,971. Car output fell by 4.8 per cent to 347,639 (including 32,444 Honda Concertos for the Japanese car maker).

Output in 1992 was supported by the success of the Land Rover four-wheel drive vehicle business, which raised production by 5 per cent to 57,332 against 54,594 in 1991.

BAe has taken a charge of £36m for the write-off of its 10.9 per cent holding in Daf, the Dutch commercial vehicle maker, which collapsed into receivership three weeks ago.

Mr Simpson said it had managed to sell the holding in recent days via the Amsterdam stock exchange for just over £1m or Fl 0.60 a share.

Turnover declined marginally to £3.68bn (£3.74bn), in spite of a 10.4 per cent decline in wholesale vehicle sales to 421,000, (470,000). Retail vehicle sales to customers fell by 6.7 per cent to 445,000.

Rover's retail vehicle sales in the UK declined by 7.4 per cent from 243,082 to 225,199, and its share of the UK new car market fell to only 13.5 per cent (14.4 per cent). The company is still dependent on the UK market for about 57 per cent of its vehicle sales.

Sales in its three main continental European markets – France, Italy and Spain – fell marginally, but export performance improved in the second half and should be boosted this year by the devaluation of the pound.

Capital expenditure is forecast to rise to £233m this year against £210m in 1992 and £250m in 1990, while spending on new product development is expected to continue at about £150m a year.

United Biscuits snaps up snack maker for £24m

By Guy de Jonquières, Consumer Industries Editor

DERWENT VALLEY Food, the northern England snacks maker whose rapid growth made it one of the entrepreneurial success stories of the Thatcher era, is to be sold to United Biscuits, Britain's largest biscuits and snacks manufacturer, for about £24m.

Derwent Valley, founded 11 years ago in Consett, the former steel town in County Durham, is best known for its Phileas Fogg tortilla chips and other corn-based products. It pioneered the British market for adult premium snacks, worth about £70m a year and the fastest-growing sector of the snacks business.

Mr Roger McKechnie, managing director, said the company wanted to step up its international expansion. After failing to find an industrial partner willing to help, it had decided last year to seek a buyer.

The company had considered raising capital through a stock market flotation. It rejected the idea, however, because it feared that pressure from shareholders to maximise short-term returns would prevent it from making the large investments needed to develop the business.

Derwent Valley, which has 350 employees, expects a £2m trading profit on sales of £24m in the year to March. Its existing management have agreed to continue, and Mr McKechnie will join the board of KP Foods, UB's snacks division.

United Biscuits is paying £15m in cash and £9m in shares, and assuming about £3m of debt. The deal is conditional on clearance by the Office of Fair Trading.

About two thirds of Derwent Valley's shares are owned by founders and directors and 27 per cent by 3i, the investment capital group which helped finance the company's formation. The rest of the shares are owned by staff.

Mr McKechnie said that under United Biscuits' ownership, Derwent Valley would enjoy stronger financial backing and planned to expand distribution from 8,000 to about 50,000 UK retail outlets. Until now, relatively low volumes and a small sales force had made it difficult to extend distribution much beyond large supermarket chains.

The companies hope in the next five years to double the sales of Derwent Valley and to turn Phileas Fogg into one of Britain's five best-selling snack brands.

Derwent Valley has 2 per cent of total British snacks sales and about a third of the adult premium sector. KP, which had estimated sales last year of more than £530m, claims to be the leader of the UK snack market with a 36 per cent share by value but it has only 4 per cent of the adult products market.

Derwent Valley's management will remain responsible for manufacturing the Phileas Fogg range in Britain. Mr McKechnie expects expanded production at the Consett plant to add at least 100 jobs. "This is a good day for Consett," he said yesterday.

Consett was reeling from the closure of its British Steel plant when Derwent Valley was set up there in 1982 by Mr McKechnie, who had a background in the food industry, and colleagues.

KP, which has operations in the US, continental Europe and Australia, plans to step up Phileas Fogg's sales effort outside Britain and may eventually make its products in factories abroad.

Derwent Valley has annual exports of about £2m, to Australia, France, the Netherlands and Spain. Although it has tried for several years to expand international sales, particularly in Europe, it has been handicapped by lack of experience and limited distribution.

The company has held talks with several other prospective bidders. They are believed to have included PepsiCo of the US, the world's largest snacks manufacturer, which owns the Smith's and Walker's brands in Britain, and Dalgety, owner of the Golden Wonder brand.

Mr McKechnie said United Biscuits had been chosen because it offered "the best fit in terms of clout, expertise and corporate culture". He would not say if it also submitted the highest bid.

Derwent Valley will remain an independent company within the KP group, and its management will continue to be responsible for UK operations.

See Observer

Phileas Fogg seeks fresh travel challenge: Roger McKechnie (left) with David Gorman, managing director of KP Foods (UK)

Farringford subscription terms revealed

Farringford, the one-time soft drinks maker whose only current operating subsidiary is the Farringford Hotel (Freshwater) on the Isle of Wight, has revealed the terms of its subscription agreement announced on January 22.

Under the terms, Mr Giuliano Lotto, Pontin Investments and Northern Trust Company will together subscribe for 500,000 5 per cent convertible redeemable preference shares of £1 each at par.

In the six months to August 31, the company reported losses of £151,000 on turnover of £387,000.

Sir Fred Pontin holds a 36.6 per cent stake in Farringford.

Fairway shows 14% decline

Pre-tax profits of Fairway Group, the USM-quoted stationery supplies distributor, fell 14 per cent, from £1.77m to £1.51m, in the 1992 year.

Turnover jumped 48 per cent to £29.3m, mainly because of a full 12-month contribution from GLS Fairway, against seven months.

Earnings per share were 3.44p (5.14p), and the final dividend is held at 2.15p to maintain a 3.15p total.

Mentor creditors pass scheme of arrangement

By Richard Lapper

CREDITORS OF Mentor, the Bermuda-based reinsurer which collapsed in 1985 with gross liabilities in excess of $790m, have approved a scheme of arrangement, which should allow them to receive payment equivalent to at least 40 cents on the dollar.

There are almost 800 UK and US creditors of Mentor. Under the provisions of the scheme all known and potential creditors will have until June 30 1993 to file any and all remaining claims, with the adjudication of these claims expected to take an additional 18 months.

Mr Charles Kempe, partner of Ernst & Young, said that the scheme would require creditors to value any remaining unreported claims on an actuarial basis which would then be adjudicated upon by Mr Kempe and Mr Nigel Hamilton, the joint liquidators.

"The scheme represents a pioneering attempt to finalise the liquidation through the usage of actuarial techniques," said Mr Kempe.

Since their appointment in 1985 the joint liquidators have increased the available assets of the estate by some $158m, including reinsurance recoveries of $54m and $40m in cash settlements related to litigation against the company's shareholders, directors and auditors.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
BAe	fin	4	June 1	16.1	7	25
Dakota §	fin	nil	-	0.6♣	nil	1.1♣
Dunedin Income	fin	17	Apr 21	17	25.4	25.4
Fairway Group	fin	2.15	Apr 7	2.15	3.15	3.15
Joe	int	2.875§§	Apr 8	1.75	-	5.65
McAlpine (A)	fin	3.5†	-	5.8	6.5	10.3
M&G Income	fin	0.75	Apr 20	-	5.8625	-
New Throgmorton	int	1.5‡	May 7	1.5	-	6.75
Primadona	int	2	Mar 19	2	-	4.5
Rights & Issues	fin	6	Mar 31	5.8	8.3	8
Throgmorton Dual	int	1.75‡‡	Apr 30	1.75	-	7

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ♣Irish pence. §§Second interim making 5.75p to date. ‡Third interim making 4.5p (same) to date. ‡‡Second interim making 3.5p (same) to date.

BOARD MEETINGS

TODAY

Interims- Bellwinch, Flogas, Honeysuckle, Macro 4, Roxspur, Tottenham Hotspur, Usher (Frank).

Finals- British Gas, Capital & Counties, Green Property, ICI, London Forfaiting, Merlin Intl Green Inv, Micro Focus, Provident Financial, Royal Dutch, Royal Insurance, Shell, Telegraph, Trans Atlantic.

FUTURE DATES

Interims-

Enterprise Oil	Mar. 11
Green (Ernest)	Mar. 15
Intereurope Tech Serv	Mar. 4
Kleinwort Dev Fund	Mar. 5
Linx Printing Tech	Mar. 3
Paterson Zochonis	Mar. 18

Finals-

Allied Irish Banks	Mar. 2
Foreign & Colonial Inv	Mar. 11
Greggs	Mar. 9
Kerry	Mar. 9
Molins	Mar. 19
Plantabrook	Mar. 17
Willis Corroon	Mar. 10

COMPANY NEWS: UK

Wickes stages recovery with turnround to £6.6m

By Andrew Adonis

WICKES, the DIY and timber retailer which almost sunk two years ago, returned to the black in 1992 but is again passing its dividend.

Pre-tax profit for the year was £6.57m, including exceptional £786,000 property profits and £1.98m reorganisation costs at Malden Timber, one of its two ill-fated timber subsidiaries. The pre-tax loss for 1991 was £6.72m.

The results reflected a sharp fall in interest charges following a £42.6m rights issue in 1991.

Net interest payments were down to £13m (£16.9m), with group debt down by £35.8m to £73.2m. Gearing at the year end stood at 92 per cent (232 per cent).

Operating profit more than doubled to £20.8m (£10.1m). Turnover was slightly up at £548.4m (£542.6m). Earnings per share were 1.9p (losses of 2.1p).

The results were in line with City expectations, but the shares shed 4p to 93p amid continuing concern about the future of the timber business.

Wickes operates 102 DIY stores in the UK, Belgium, the Netherlands and France. It plans to open another 15 in the UK and five on the Continent this year.

Henry Sweetbaum: priority to pay a dividend in 1993

The company has launched an expansion of Builders Mate, its UK chain of low-cost timber outlets.

Seven Builders Mate stores are already trading; another 14 will be launched this year after two years' work on repositioning the timber side. They will offer a range of 2,000 core products – construction timber, sheet materials and branded products – at up to 10 per cent below the "headline" prices of typical timber merchants.

Mr Henry Sweetbaum, chairman, said Builders Mate was "a great market opportunity. It applies our tried-and-tested sales approach to the traditional timber merchant trade."

The passing of the dividend, he said, was in order "to continue to reduce borrowings and finance the capital expenditure necessary for expansion." The payment of a dividend for 1993 is "a priority".

● COMMENT

Wickes is not out of the woods yet. The DIY side is in sound shape, with sales and margins continuing to outperform the sector average. Though ambitious, its planned expansion applies a proven formula when sites and building costs are cheap. Timber remains the problem. With only two of its "pilot" stores trading for more than a year, Builders Mate is practically a leap in the dark. Most trade customers are credit-dependent and tied to traditional suppliers. A construction upturn may supply the credit; luring the customers is another matter. Analysts are forecasting profits this year of about £17m, putting the shares on a prospective multiple of 23. A recovery stock.

Court decision poses questions about future of December's three-year loan facility

Costain appeals against US injunction

By Andrew Taylor, Construction Correspondent

COSTAIN, like an ageing heavyweight who has seen better times, is beset by blows from all sides. Misfortune has piled upon misadventure as management has struggled to keep the international construction and mining business on its feet.

The British-based company, faced with its latest setback yesterday, appealed against the granting of a permanent injunction by a United States court preventing it from selling its Australian coalmining and commercial property interests for $245m (£172.5m) to Altus Finance, a subsidiary of Crédit Lyonnais, the French bank.

Peabody, the US-based coal subsidiary of Britain's Hanson group, had asked Stephen Limbaugh, the district judge, to block the deal on grounds that Costain had previously agreed to sell it the Australian coal mining business for $200m.

The decision in St Louis, Missouri, raises questions about a three-year loan facility negotiated with Costain's bankers in December; the facility was based upon the company receiving the proceeds from a sale to Altus.

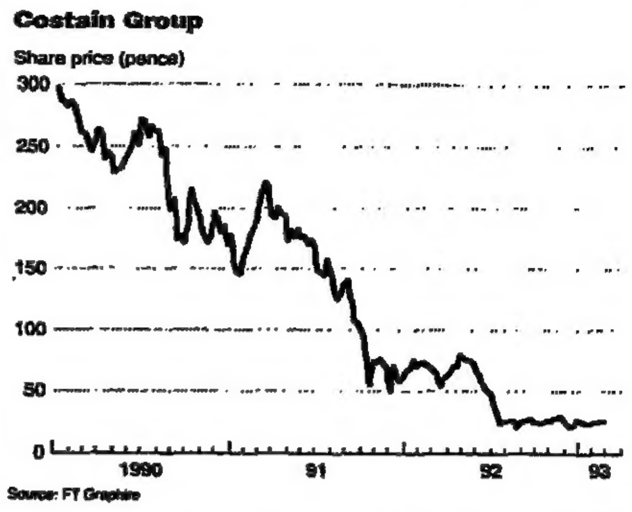
It remained unclear yesterday whether all or part of this arrangement would need to be renegotiated or what attitude lenders would take should Costain have breached the terms of the refinancing agreement.

In the worst scenario, the banks could seek to put the British company into administrative receivership. That might allow the new operators to relaunch negotiations to sell Costain's Australian and US coal mining businesses unencumbered by legal actions.

Among the reasons why banks may not adopt this course is that, having supported the company so far, they might as well allow the appeal to proceed.

The construction company also retains the option to accept the lower Peabody offer for the Australian coal operations. With the pound's devaluation, that looks more attractive in sterling terms than when first negotiated last autumn. However, the sterling cost of Costain's borrowings, much of which are in the US, will have also risen.

To allow such a well-known public company to fail would provoke a large political and public relations fall-out for the banks, which are already facing strong criticism. If administrators could successfully sell the coal businesses, it would leave the banks with the problem of disposing of Costain's construction and UK housebuilding operations, both of which would have a "distressed sale" sign hanging over them. Although the banks may decide to remain with Costain, they cannot be pleased about how such a vital disposal has become ensnared in the courts.



The group's debt, which was £344m when the rival deals with Peabody and Altus were concluded last autumn, easily exceeds its book value, which was £276m at the start of last year. Borrowings include £52m of loans due on the Spitalfield commercial property joint venture in London. Judge Limbaugh said that Costain, although still talking to Altus, had decided to accept Peabody's offer on October 19 because "the banks were becoming increasingly concerned about Costain's position and at the end of that week Costain needed to have bank approval to make a payment to refinance the Spitalfield project". He also revealed that Bouygues, the large French construction group, had been discussing the possibility of making a bid for the whole of Costain shortly before Altus emerged on the scene.

The judgment is the latest in a series of setbacks for the group, which has seen its share price fall by almost 90 per cent in just over two-and-a-half years to 27p yesterday.

Costain's stock market value of only £62m is less than a third of that of lesser-known domestic housebuilders such as Berkeley Group, Persimmon, Wilson Bowden and Wilson Connolly.

A sale of the Australian coal operations to Peabody would still leave gearing of more than 70 per cent. Although UK housebuilding is showing signs of recovery, Costain has a poor track record in this market.

US coal operations have been lacklustre. Only international contracting has displayed any promise. Margins on contracting however, remain low by comparison with other businesses.

Costain, provided banks keep their nerve, has a lot of rebuilding still to do.

Atreus to obtain official listing via reverse takeover

By Peggy Hollinger

ATREUS, a shower screen and mirror manufacturer, yesterday joined the growing trend of small companies using reverse takeovers to get an official listing, following proposals to close the Unlisted Securities Market.

The group, which plans to merge with shell company URS International, is expected to have a market value of just £7.2m, following a placing and public offer of 27.5m shares at 20p each.

The whole process is expected to cost the company £500,000 – roughly half its latest estimated annual profits.

It is likely that this method of reversing into listed shells to come to the market will be increasingly pursued by smaller companies. Referring to the proposed demise of the USM, one analyst said: "I suspect they will be prepared to stomach the costs. The market is strong and institutions have an appetite for smaller company issues at the moment."

Mr Rodney Harnett, chairman, said Atreus aimed to grow through expanding its product ranges out of the bathroom, tackling new markets at home and abroad, such as hotels, and by acquisition. It had come to the market to help it finance that growth.

However, Atreus will raise just £1m from the placing and offer, after issuing £4m in loan notes to the founders and vendors, Mr Bruce Ledwith and Mr David Howarth, and paying expenses. It is likely that Atreus will have to return to shareholders for cash after about 18 months.

Mr Harnett said he aimed to show investors that the group was "capable of sustaining growth and using our cash resources wisely" before making a further cash call.

Atreus is forecasting a 36 per cent jump in pre-tax profits to £1.1m for the year to January 31.

The group said that, had it been listed, the board would have recommended a dividend of 0.75p.

IN BRIEF

GARTMORE EMERGING Pacific Investment Trust: Net asset value 81.5p (51.1p) per share at December 31; value, assuming exercise of warrants was 78.6p (53.2p). Earnings per share 0.3p (0.48p) and final dividend 0.15p (0.13p). No special distribution (0.1p).

INVESCO MIM has sold its wholly-owned property management and advisory subsidiaries, MIM Property Services and TransEuropean Property (General Partner) to PIC Holdings, whose ultimate holding company is the Prudential Insurance Company of America. Consideration was £2m cash.

SCOTTISH METROPOLITAN Property has completed the sale of an office property investment at Watford, Hertfordshire, and a retail warehouse investment property at Enfield, Middlesex, for £7.1m. The sales are part of an ongoing sales programme and the proceeds will be used to reduce borrowings.

WHESSOE shareholders have approved the engineering and controls company's proposed acquisition of Autronica, the Norwegian instrumentation group. Whessoe has received acceptances in respect of more than 87 per cent of the Autronica equity and is now awaiting the necessary Norwegian regulatory approvals.

Alfred McAlpine shows 61% fall to £3.6m

By Andrew Taylor

ALFRED McAlpine, the UK construction group which is still seeking a new chief executive, yesterday announced a 61 per cent fall in pre-tax profits and a cut in its final dividend of more than a third.

The group's share price fell 8p to close at 131p following the announcement that the pre-tax surplus had fallen from £9.3m to £3.6m for the year ended October 31 1992. Profits would have been higher but for a £2m exceptional provision mostly to cover redundancy costs.

Mr Graeme Odgers, who is quitting as chief executive to become chairman of the Monopolies and Mergers Commission, said that the final dividend would be reduced from 5.8p to 3.5p making a total of 6.5p (10.3p) for the year.

Earnings per share fell from 14.1p to 5.1p. Interest charges were down from £5.3m to £2.6m following a £39m 1-for-2 rights issue in 1991.

Turnover fell from £620.8m to £560.7m.

Mr Odgers said that the group had drawn up a short list of three highly qualified candidates for the chief executive's job and expected to make an announcement shortly.

The group said that it expected profits to increase in the current year, although it would incur a loss in the first half. The UK construction market remained very difficult, which was affecting McAlpine's contracting and minerals operations.

Construction profits last year fell from £13m to £1.5m, while profits from minerals dropped from £4.2m to £1.9m. Mr Odgers expected little improvement to be made in the current year.

The outlook for UK housing and the US was more promising, he said. The number of house sales agreed by the group had jumped by 30 per cent since January 1 compared with the corresponding period.

Housing, which made £2.6m (£1.3m loss), returned its first profit for years. US profits had slipped from £2.3m to £1.9m but were also expected to do better this year.

Net debt averaged £49m during the last financial year, equivalent to 29 per cent of shareholders' funds of £170m.

Net debt in the current year was expected to average about £65m, reflecting the purchase of the 40 per cent minority in the housing business, the affect of currency movements and lower cash inflows from contracting.

● COMMENT

McAlpine under Graeme Odgers' tenure has done all the right things. Debt has been reduced, overheads cut and a clear well-defined business development strategy introduced including expansion of overseas construction interests. All of this has been recognised in the McAlpine share price, which slid yesterday on news of the dividend cut and Mr Odgers' unfavourable comments about the state of the UK contracting and building material markets. Profits nonetheless could rise to £6m this year and might even reach £7m. This would provide earnings of between 7p and 8p leaving a maintained dividend fully covered. A prospective p/e of between 16 and 18 would suggest that the stock remains fully valued despite yesterday's slide in the share price.

Two trusts consider placings to raise funds

By Philip Coggan, Personal Finance Editor

TWO INVESTMENT trusts have announced their intention to raise new capital.

Templeton Emerging Markets, the specialist trust which invests in developing economies in areas such as Latin America and south east Asia, said it was considering a placing of new shares, of which 25 per cent would be available to existing share and warrant holders under an open offer.

Trusts can normally only offer new shares if they are trading at a premium to their asset values; County NatWest figures show Templeton Emerging shares trading at about a 10.6 per cent premium. Roughly speaking, when a trust's shares are trading at a premium this indicates an excess of demand over supply of the shares.

Templeton said the placing would enable the trust to make further investments and to widen its shareholder base.

Meanwhile, Moorgate Smaller Companies Income said it was considering a placing and offer to increase its size by a maximum of £25m; that compares with net assets at the end of January 1993 of £56m.

Any offer will be made available to all shareholders; the trust's shares trade at a near 7 per cent premium.

Another Lilley offshoot is sold

The last of the Lilley Group contracting companies has been sold by the receivers.

Robison & Davidson and its Robison Wood Products subsidiary was sold to its management, with funding provided by 3i, NatWest Ventures and the Royal Bank of Scotland's new equity division, with the Bank of Scotland providing working capital facilities.

NEWS DIGEST

Tops raises £15m from stock issue

TOPS ESTATES, the shops and office property company, proposes to raise about £15.6m net of expenses via the issue of 7.5 per cent convertible loan stock.

The stock is being conditionally placed with institutional investors by Paribas, but under the terms of an open offer by Paribas on behalf of Tops Estates, £15.3m of the stock will be made available to shareholders on a 1-for-3 basis.

The issue may be converted into 625 ordinary shares per £1,000 nominal of stock between 1998 and 2020, representing an equivalent conversion price of 160p.

The placing is subject to shareholders' approval at an extraordinary meeting on March 19.

Revamped PHIT net assets up 39%

Pacific Horizon Investment Trust reported a net asset value of 36.44p per share as at January 31, up from 26.28p at the July year-end.

The 39 per cent advance compared with a 20.1 per cent rise in the FT-Actuaries Pacific Basin ex Japan Index.

The trust is now managed by Baillie Gifford after previous manager Jupiter Tyndall last August withdrew proposals to reorganise the company after a bitter battle with the board.

Directors said yesterday that the portfolio policy changes agreed in August were almost complete with holdings extended to Hong Kong, Malaysia and Singapore, mainly at the expense of Thailand, Indonesia and the Philippines.

Losses after tax for the six months to end-January were £63,590 (£1,416); losses per share emerged at 0.16p (nil).

Dakota declines I£1.08m into the red

Dakota Group, the Dublin-based packaging and paper company which has a USM quote, announced pre-tax losses of I£1.08m (£1.12m) for the year to September 30. Last time profits were I£1.18m.

Directors said the group had an extremely difficult year, primarily in its non-core computer paper and software manufacturing operations. Action had been taken to deal with the trading difficulties and the business had been refocused around the printing and packaging operations.

Turnover fell to I£26.9m (I£29.8m). Losses per share worked through at 4p (3.3p earnings) and there is no dividend. A total of 1.1p was paid last time.

The group also announced the disposal of its 81 per cent interest in Technodisc, the software manufacturing subsidiary, to BG Turnkey Services, for a nominal consideration. The loss on disposal amounts to I£400,000, which will be reflected in the current year's accounts.

PUBLIC WORKS LOAN BOARD RATES

Effective February 23

Years	Quota loans*		
	EIP†	A††	maturity§
1			5¾
Over 1 up to 2	5⅞	5⅞	6¼
Over 2 up to 3	6⅛	6⅛	6⅝
Over 3 up to 4	6⅜	6⅜	6⅞
Over 4 up to 5	6½	6½	7¼
Over 5 up to 6	6⅝	6¾	7⅝
Over 6 up to 7	6⅞	6⅞	8
Over 7 up to 8	7	7⅛	8¼
Over 8 up to 9	7⅛	7⅜	8½
Over 9 up to 10	7⅜	7⅝	8¾
Over 10 up to 15	8¼	8⅝	9⅜
Over 15 up to 25	9¼	9½	9⅝
Over 25	9½	9⅝	9⅝

*Non-quota loans A are 1 per cent higher and non-quota loans B 2 per cent higher in each case than quota loans. †Equal instalments of principal. ††Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). §With half-yearly payments of interest only.

Jos Holdings show improvement

Jos Holdings, which last year became a split capital investment trust after a reorganisation, raised net profits from £186,000 to £287,000 in the six months to January 31 1993.

Earnings per income (ordinary) share were 4.43p (2.01p). A second quarterly dividend of 2.875p makes 5.75p to date – a total of 11.5p has been forecast for the current year.

Total assets rose by 19.4 per cent, from £15.1m to £18.1m. Net asset values were 196.2p per capital share, 82.3p per zero dividend preference share, and 1p per income share. At July 31 1992, net assets per ordinary share stood at 163.6p.

Dunedin Income net assets up 10%

Net asset value at Dunedin Income Growth Investment Trust rose 10 per cent, from 542.2p to 596.5p per share, over the 12 months to January 31.

Net revenue amounted to £6.92m, down from £7.91m last time, for earnings of 21.75p (24.87p) per share. Directors attributed the decline to dividend cuts in the trust's equity portfolio and lower levels of interest on liquid funds.

The final dividend is held at a proposed 17p for a maintained total of 25.4p; the distribution requires a transfer of £1.16m from reserves.

Problem at offshoot sees CRP shares fall

Shares in CRP Leisure yesterday fell 3¼p to 4¼p, after the USM-traded group warned of financial difficulties at its CR Pursehouse subsidiary, compounded by a sizeable bad debt on a building contract.

The company warned that trading at Pursehouse, a building contractor acquired a year ago and mainly engaged in public house refurbishment, had "deteriorated significantly" in recent months.

CRP said it was examining various options to resolve the problems at Pursehouse, including possible refinancing and an arrangement with the subsidiary's creditors.

Throgmorton Dual net assets at 667.5p

Throgmorton Dual Trust, a split-capital concern, had a net asset value of 667.5p per capital share at January 31, up from 623.8p a year earlier and 581.3p at the trust's July year-end.

The figure per income share was 31.3p, against respective values of 28.5p and 26.8p.

Net revenue for the six months to end-January was £832,000 (£692,000), equivalent to earnings of 3.62p (3.01p) per income share.

A second interim dividend is maintained at 1.75p making 3.5p to date.

Primadona assets show improvement

Net asset value per share of Primadona stood at 207.14p at December 31, against 181p at the June year-end and 175.51p a year ago.

Net revenue for the six months declined to £58,012 (£86,622) after tax of £22,178 (£32,513).

The interim dividend is maintained at 2p, despite a fall in earnings from 1.92p to 1.29p.

Assets up 10% at Rights and Issues

Rights and Issues Investment Trust had a net asset value of 392.5p per capital share at December 31, a rise of 10 per cent on the 357.8p of end-1991.

The value per income share rose 7 per cent, from 102.2p to 109.4p.

Mr Simon Knott, chairman, said the increases compared with a rise of 14.8 per cent in the FT-A All-Share Index. "This performance, while disappointing, is still reasonable given the difficult environment for smaller companies during the year."

Net revenue amounted to £339,674 (£327,888) for earnings of 7.737p (7.446p) per income share. The dividend is raised to 8.3p (8p) via a recommended final of 6p.

M&G Income asset value at 59.52p

M&G Income Investment Trust, which came to the market in October 1991, had a net asset value of 59.52p per capital share at January 31 1993. Asset value per zero dividend preference share was 39.22p.

Earnings per share came through at 6.13p and the proposed final dividend of 0.75p brings the total to 5.6625p.

Oliver Resources cuts deficit

Oliver Resources, the Dublin-based oil and gas company quoted on the USM, cut pre-tax losses to I£184,000 (£190,000) in the year to October 31. This compared with I£12.9m previously, which included an exceptional charge of I£12.1m.

Losses per share came out at 0.2p (14.7p).

Allied Radio incurs £1.7m loss

Allied Radio reported a pre-tax loss of £1.72m in the nine months to September 30, on turnover of £4.55m.

For the comparable period – covering the 1991 year – the group incurred losses of £1.57m before tax.

The latest figure included a charge of £454,000 to amortise the goodwill from the acquisition of Radio Mercury and County Sound in September 1991, plus £181,000 for the rationalisation of property requirements.

The trading loss was £763,000, compared with £464,000.

Losses per share were 3.4p (23.8p for 1991).

Russia announces talks on unified CIS energy policy

By John Lloyd in Moscow

MEMBERS OF the Commonwealth of Independent States are to attempt to agree on the creation of an inter-state energy council to co-ordinate oil and gas supplies.

The project, announced earlier this week by Mr Yuri Shafranik, the Russian energy minister, is likely to be a central theme of talks planned between CIS heads of state in the Russian oil region of Tyumen next month. It is raised at a time when energy is at the centre of increasing tension between Russia and the other former Soviet republics, particularly Ukraine.

Mr Shafranik said that the Tyumen oil production associations would welcome foreign investment – including from the CIS states. He also said, however, that Russia would move to world prices in energy trade with these countries.

Mr Yuli Yoffe, Ukraine's deputy prime minister, arrived in Moscow yesterday for talks with Mr Shafranik in a bid to avert a threatened cut in gas supplies to Ukraine. The Russian state gas corporation Gasprom has said it is owed Rbs165bn ($286m) by Ukraine, and has demanded that the country pay $85 per 1,000 cubic metres for future supplies.

However, Mr Yevgeny Suhin, first deputy chairman of Ukraine's state oil and gas committee said yesterday that all bills had been paid to Gasprom up to March 1. Ukraine has already warned that it might disrupt the flow of Russian gas through its territory to third countries especially Germany, France, Italy, Slovakia and the Czech Republic.

Mr Leonid Kuchma, the Ukrainian prime minister, is also due in Moscow tomorrow – an indication of how seriously the threat is now being taken. A Gasprom official, Mr Anatoly Vorotyntsev, was quoted by the official news agency Itar Tass as saying that gas supplies would be cut off today and piped to southern parts of Russia instead.

The Russian government faces continuing and deepening difficulties in its exploitation of energy sources. Mr Georgy Khizha, a deputy prime minister, said yesterday that oil production would fall by 50m tonnes this year, but energy consumption was continuing to rise – by 14 per cent last year.

● Turkey and Azerbaijan are discussing a route for a westward pipeline for Azeri oil and Turkey hopes it will end on its southern coast, the foreign ministry said, reports Reuter from Ankara. "The technical level talks in Baku [the Azeri capital] are expected to continue into March before a conclusion is reached. . . Our wish is to see Turkey chosen as the route and Azeri oil transported to the Mediterranean," said ministry spokeswoman Filiz Dincmen.

Cocoa pact delegates given weekend deadline

By Frances Williams in Geneva

COCOA PRODUCING and consuming countries have been told that they must agree on a package of price stabilisation measures by the weekend if they want an International Cocoa Agreement with economic provisions.

If no agreement was reached, said Mr Peter Lai of Malaysia, the chairman of UN-sponsored talks on a new accord, he would use the remaining week of this fourth and final round of negotiations to conclude a purely administrative pact to replace the 1986 agreement, which expires on September 30.

On Monday, the first day of the two-week negotiating session, Mr Lai put forward compromise proposals on the price range to be defended and on financing of the scheme. The proposals, which are still being considered by the two sides, effectively split the difference between the price demands of producers and consumers and provide for all pact members to share the costs of the scheme.

The suggested price range of SDR1,040-1,560 a tonne, with a median price of SDR1,300 ($1,780) is well above present market levels of about SDR730 a tonne and could only be defended if producers stuck to their expressed intention of reining back production.

Earlier this week, the 45 or so producing and consuming countries taking part in the talks agreed in principle on a limit of 350,000 tonnes to the amount of cocoa that could be withheld from the market to support prices.

The 40 members of the accord account for about three-quarters of world production and consumption, the most notable absentees being the US, the biggest consumer, and Malaysia, the fourth largest producer.

EC likely to set price floors on fish imports

By David Gardner in Brussels

THE EUROPEAN Community is tomorrow expected to set minimum import prices on white fish, to check the surge of produce coming in, which has been dramatised by Breton fishermen protesting against depressed prices.

Commission officials warned yesterday, however, that the fishermen were likely to be disappointed with the results, in view of the still unresolved structural problems of the industry.

EC fishermen have long been subject to quotas under the common fisheries policy. These have come down sharply in recent years, to conserve stocks threatened by overfishing. As part of a major conservation effort, Brussels has also obliged fleets to tie up for prescribed periods, and/or enforced use of bigger net meshes to let immature fish escape. Last year the EC also agreed an 8 per cent reduction of the community fleet over the next four years, although scientific studies cited by the commission in 1990 claimed a 40 per cent reduction of the EC fleet was needed.

Before imports are taken into account, the current regime itself creates surges in supply – especially about this time of year. Overall quotas are exhausted towards the end of the preceding year, leaving many vessels idled during winter. With bad weather usually keeping fishermen in port through January, February often sees fish flooding on to the market as the industry rushes to regenerate its flagging cash-flow.

All this is now combining with three factors, of which cheap imports from Russia, Iceland, Poland and Norway is only the most egregious.

Recession has led to a fall in consumption in France – one of the EC's biggest fish-eaters – and growing competition from rival foodstuffs like poultry and pork, prices of which had fallen 25 per cent before the recent 15 to 30 per cent drops in white fish prices.

The spate of EC devaluations has also bitten into the French market. While Paris maintains its *franc fort* big fish producers like the UK and Spain, which have devalued their currencies, can sell more cheaply into France.

But cheap imports from outside the community, especially from Russia, are now a big destabilising force because and Commission officials maintain a good deal of Russian fish is coming in from Iceland with disguised rules of origin certificates. Russia's fish would normally pay a 12 per cent tariff, against the 3.5 per cent charged to Iceland under a bilateral agreement.

The minimum import prices the commission is set to fix tomorrow are likely only to be the reference prices the EC uses to monitor the market, and to last six months. But if this does not work, commission officials say an embargo on imports is virtually certain.

"If they don't get the message, or they can't control what their fishermen do, that's the next step," one Commission fisheries official said. "I think the Icelanders will get the message," he added.

A GROUP of militant French fishermen left Brittany yesterday evening to travel by coach to Brussels where they plan today (Thurs) to stage a "peaceful" demonstration outside the meeting of the EC management committee responsible for fisheries, writes Alice Rawsthorn in Paris.

French fishermen have for the past fortnight staged furious protests against the recent increase in imports of cheap fish into France, culminating on Tuesday in a violent attack on the fish market at Rungis, outside Paris, followed by a three-hour battle with police.

The mood of the Breton ports was slightly calmer yesterday following the French government's assurances that the EC would agree to impose minimum prices on imported fish. However a group of trawlers blocked off a stretch of water in Les Landes usually used for military experiments in a gesture of solidarity with the Breton fishermen. Back in Brittany an action group of fishermen's wives plans to demonstrate this afternoon outside the town hall of Quimper, one of France's largest fishing ports.

Inflation fears enliven US commodity indices

Clinton's growth policy is reviving interest in price rise hedging, writes Laurie Morse

WHILE US securities traders have been busy pushing long-term interest rates down to their lowest level in 15 years, they have been keeping a cautious eye on the commodities markets, sensitive to signals that President Bill Clinton's economic plan may be stirring inflation's embers. Inflation is toxic to bond prices, driving up interest rates and increasing the cost of debt.

Commodity prices have long been used as a proxy for inflation, a practice lent legitimacy by the US Federal Reserve Board, which monitors price stability by watching a 21-commodity index compiled by the New York-based Commodity Research Bureau.

Recent contradictions in the commodity pits have been enough to drive inflation-watchers to distraction. Palladium hit long time lows Monday, while another industrial commodity, lumber, posted all-time highs. Grain prices have withered, but meat prices, which usually travel in tandem with feed prices, are on the rise. International commodities like sugar and oil have also rallied.

On the whole, analysts say that there has been a steady but mild rise in several closely-watched commodity indices since late summer, when it became apparent that Mr Clinton might clinch the presidency. However, since he took office in January, the behaviour of the indices has diverged. Measures of industrial commodities and those heavily weighted toward energy are rising, while more broadly-based indices are flat. To date, none of the inflationary measures have sounded an economic alarm.

"We're seeing some firmness in some commodities, but not firmness in all commodities," says Mr Samuel Kahan, chief economist at Fuji Securities. A real economic pick-up would bring firmness across the board, he said.

The difference in behaviour of the commodities indices is explained by the differences in their composition. Economists looking for trends in US industrial production like to watch the Journal of Commerce Index. This follows the prices of 18 raw industrial commodities, including copper and steel scrap, burlap, old corrugated boxes and crude oil.

The JOC index rose to 100.6 this week, from 97.5 in early January. The steady rally may signal a pick-up in industrial production, a natural introduc tion to an economic recovery. However, nearly 15 per cent of the index's weighing is in lumber and lumber products, largely domestic commodities whose rally in recent months has, some analysts say, skewed the index.

Industrial production may indeed be picking up, Mr Kahan says, but so long as the pick-up tracks economic growth it may not be inflationary.

The Goldman Sachs Commodity Index has also been on the rise since January, reaching 186 this week, from 181 the first week of the year. The two-month rally is significant, says Mr. Ravi Bulchandani, commodities analyst at Goldman Sachs, but is only a small increase over January a year ago.

Mr Bulchandani attributes the index's rise to firmer oil and meat prices. The GSCI is weighted by trade volume, with nearly 50 per cent of its weight in energy or oil, and another 24 per cent in livestock. Given the international characteristics of the index, he attributes the GSCI's strength to the Organisation of Petroleum Exporting Countries' recent agreement on production cuts, and not to Mr Clinton's economic plans.

The Commodity Research Bureau's popular index of 21 commodity futures is virtually unchanged since January, in part because each of its components carries equal weight. A drop in the price of orange juice, for example, carries the same weight as a rally in oil. The index is stuck around 203, up about five points from its August low.

Mr Sean McNamara, president of CIG Asset Management, a firm that advises investors on using commodity indices as a way to hedge against inflation and diversify portfolios, calls the GSCI an "economically sound" index, but says the CRB remains popular because it offers historical data extending back 40 years.

Analysts say that while Mr Clinton's economic plan is front-loaded, with much of the economic stimulus expected to take effect quickly, it can only hope to boost US demand. As commodity trading spans the globe there is potential for a flood of foreign imports if US prices move higher. This, commodity traders say, is already happening in the lumber market.

Inflation fears are also tempered by excess capacity in the US in everything from aluminium smelting to grain production.

In the long run Mr Clinton's policies are expected to have significant impact in individual commodities. His energy tax, aimed at deficit reduction, will cut demand for oil and coal. However, to the extent that his energy taxes offend the US's Opec trading partners, they could also reduce worldwide oil production, and raise energy costs, slowing global recovery.

His emphasis on rebuilding the country's infrastructure is bound to increase demand for industrial commodities like copper and steel, analysts say.

However, the president's greater focus on the environment may raise costs to livestock producers and other agricultural enterprises, limit expansion of mining and metals processing in the US, and limit US timber production. Clean Air provisions will further penalise energy producers.

On the trade side, Mr Clinton has said he will be more strict in his dealings with China, an important customer for US wheat. He supports economic reform in the former Soviet Union but has not yet liberalised farm credits to Russia, allowing grain prices to languish. On the other hand, if Mr Clinton succeeds in implementing the North American Free Trade Agreement, US livestock producers are expected to benefit from broader export markets.

Constituents of leading US commodity indices

JOC	weight (%)	GSCI	weight (%)	CRB (unweighted)
Benzene	4.7	Crude oil	20	Maize
Crude oil	7.1	Natural gas	14.8	Wheat
Cotton	5.9	Heating oil	13.9	Soyabeans
Burlap	5.5	Live cattle	15	Soyameal
Polyester	2.7	Hogs	9	Soyaoil
Printcloth	3.3	Farm products	20	Crude oil
Scrap steel	6.3	(consisting		Heating oil
Copper scrap	6.7	of: wheat,		Unleaded gas
Aluminium	6.1	maize, sugar,		Copper
Zinc	5.1	soyabeans,		Lumber
Lead	5.4	cotton &		Cotton
Tin	5.9	cocoa)		Gold
Hides	5.5	Base metals	7	Silver
Rubber	6.2	(consisting		Platinum
Tallow	5.2	of: copper,		Live cattle
Plywood	7.9	aluminium,		Hogs
Corrugated		zinc & nickel)		Pork bellies
boxes	5.0	Precious		Coffee
Lumber	6.3	metals	2	Sugar
				Cocoa
				Orange juice

Aluminium ban threatened

THE EUROPEAN Community is threatening an effective ban on direct aluminium imports from the former Soviet Union if Russia does not stop undercutting world market prices, according to community officials, reports Reuter from Brussels.

They said only Germany dissented from a plan to impose severe quotas on Russian aluminium when it was discussed this week by officials of member states worried at a looming crisis among the community's aluminium producers.

The quotas under consideration were so tight, they added, that no fresh shipments from Russia would be allowed because of the massive volume of Russian stocks at London Metal Exchange warehouses.

"The Russians are up against the wall," one official said.

Gummer calls for further CAP reform

By David Blackwell

FURTHER REFORM of the European Community's common agricultural policy was yesterday urged by Mr John Gummer, the UK agriculture minister.

He cited in particular the sugar regime. It was not acceptable that rich countries should so support their agriculture that they destroyed the market for poor countries, Mr Gummer told the Agra Europe Outlook '93 conference in London.

"The sugar regime is one that does huge damage, and this reform is vital," he said. Other sectors that needed looking at were wine, fruit and vegetables, olive oil, rice, cotton and beef.

Mr Gummer also warned farmers that the development of supply controls such as acreage set-aside under last year's CAP reforms would place them under a heavy bureaucratic burden.

Farmers would have to supply a great deal of information to qualify for aid under the CAP. "Supplying this information will be a time consuming task, and the penalties for any mistakes could be severe," he said.

WORLD COMMODITIES PRICES

MARKET REPORT

Base metals were under pressure on the LME, with weakness in ZINC and COPPER resulting in most closing lower. Zinc collapsed to 3½-month lows under intense pressure from technical selling and liquidation, against a background of weak fundamentals. Support for three-month metal at $1,070 and $1,060 gave way on the charts, while the market will remain oversupplied despite recent mine and smelter cuts. Copper extended earlier falls, with Comex weak, and as support around $2,215 for three-month metal gave way the market retreated to end at $2,198, down $20. There are significant March put options at $2,200, so follow-through hedge selling today could push the market down to $2,180. Follow-through buying powered London's May COCOA contract to close at £759 a tonne, £4 above Tuesday's finish after the market regained early losses. Earlier, the market went on the defensive under pressure from jobber long liquidation, but prices began to firm by late morning.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)(Apr)		+ or -
Dubai	$16.52-6.54	-.035
Brent Blend (dated)	$18.89-8.93	-0.01
Brent Blend (Apr)	$18.79-8.83	-0.05
W.T.I (1 pm est)	$20.35-0.38	-.065
Oil products (NWE prompt delivery per tonne CIF		+ or -
Premium Gasoline	$193-195	-2
Gas Oil	$175-177	-1
Heavy Fuel Oil	$72-74	-0.5
Naphtha	$175-177	
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$330.05	+0.35
Silver (per troy oz)♣	359.5c	+2.0
Platinum (per troy oz)	$346.75	+1.85
Palladium (per troy oz)	$101 25	-1.40
Copper (US Producer)	103.5c	-0.5
Lead (US Producer)	33.5c	
Tin (Kuala Lumpur market)	14.79r	-0.10
Tin (New York)	285.5c	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	127.20p	+3.47*
Sheep (live weight)†♣	114.24p	+9.35*
Pigs (live weight)†	83.77p	-0.40*
London daily sugar (raw)	$238.6	-1.4
London daily sugar (white)	$271.0	+1.0
Tate and Lyle export price	£276.0	
Barley (English feed)	£141.5z	+1.5
Maize (US No. 3 yellow)	£165.0	
Wheat (US Dark Northern)	Unq	
Rubber (Apr)♥	66.50p	-0.50
Rubber (May)♥	67.00p	-0.50
Rubber (KL RSS No 1 Feb)	229.5m	-1.0
Coconut oil (Philippines)§	$440.0y	+2.5
Palm Oil (Malaysian)§	$430.0z	
Copra (Philippines)§	$273.0	
Soyabeans (US)	£184.0u	+2.0
Cotton "A" index	51.75c	+0.05
Wooltops (64s Super)	385p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. y-Apr/May u-Feb/Apr. x-Aug. w-Feb/Mar z-Mar. ♥London physical. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♣Sheep prices are now live weight prices * change from a week ago, provisional prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Mar	198.00	198.00	198.00
May	220.00	220.00	219.00
Aug	224.00	224.00	223.00
Oct	203.00	208.00	202.00
White	**Close**	**Previous**	**High/Low**
May	272.00	270.00	272.00 269.00
Aug	272.30	270.90	272.20 270.00
Oct	255.00	253.00	255.00 252.50
Mar	253.00	250.90	253.00
May	258.50	253.90	257.00
Aug	261.00		261.00

Turnover: Raw 70 (58) lots of 50 tonnes. White 1255 (2818) Paris- White (FFr per tonne): May 1820.35 Aug 1542.69

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
Apr	18.80	18.95	19.10 18.75
May	18.85	18.95	19.08 18.80
Jun	18.88	18.96	19.16 18.83
Jul	18.89	19.00	19.08 18.89
Aug	19.10	19.00	19.10
IPE Index	18.98	18.55	

Turnover 21973 (42998)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
Mar	173.00	173.75	175.50 173.00
Apr	173.25	173.75	175.75 173.00
May	173.00	173.25	175.25 173.00
Jun	173.00	173.50	174.25 173.00
Jul	174.50	175.00	175.25 174.25
Aug	176.25	176.50	178.50 177.25
Oct	180.00	180.75	182.50 180.25

Turnover 13590 (10995) lots of 100 tonnes

WOOL

The market in Australia started to sag again when sales were resumed this week and the Wool Corporation's market indicator yesterday fell 10 cents to 480c/kg, which is practically back to the lowest of the season. Withdrawals by woolgrowers are still very high, reaching as much as 58pc at the Fremantle sale on Tuesday, though 20pc is more typical. World demand is not matching present supply. Recession in the world economy provides a major reason, but the decline is itself creating a trading atmosphere of almost unprecedented gloom.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
Mar	747	744	747 736
May	760	755	760 748
Jul	770	767	771 759
Sep	782	777	782 773
Dec	802	793	802 788
Mar	822	813	820 806
May	835	826	834 827
Jul	850	840	844 844
Sep	864	853	863 851
Dec	887		868 880

Turnover: 8156 (13110) lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily price for Feb 24 755.37 (740.95) 10 day average for Feb 23 730.47 (726.02)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low
Mar	968	952	967 945
May	955	949	955 933
Jul	924	913	928 898
Sep	937	921	934 920
Nov	948	931	948 933
Jan	970	946	940 940

Turnover 3377 (2858) lots of 5 tonnes. ICO indicator prices (US cents per pound) for Feb 23: Comp. daily 57.81 (59.08) 15 day average 57.30 (57.17)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
Apr	44.5	43.5	44.5 43.5
May	46.5	45.5	46.0 45.2
Apr	95.0	94.5	94.0

Turnover 81 (91) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Jun	-	-	

Turnover 0 (0) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low
Mar	1382	1375	1382 1374
Apr	1383	1384	1393 1385
Jul	1191	1180	1191 1190
Oct	1350		1365 1360
BFI	1374	1375	

Turnover 291 (169)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
Mar	144.75	143.45	144.75 144.60
May	146.40	145.85	146.40 146.00
Jun	147.20	146.65	147.20 146.65
Sep	110.00	110.25	110.00
Nov	112.00	112.20	112.25 111.90
Jan	115.00		115.10 115.00
Mar	117.75		117.75 117.50
Barley	**Close**	**Previous**	**High/Low**
Mar	142.50	141.00	142.50 142.00
May	143.50	142.25	143.50 143.00
Sep	107.75	108.00	107.75
Nov	110.75	111.00	110.75

Turnover: Wheat 328 (390), Barley 107 (52). Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
May	107.0		107.0
Jun	105.5		106.0

Turnover 4 (6) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)					Total daily turnover 25,467 lots	
Cash	1195.5-6.5	1199-200	1198	1198-8.5		
3 months	1217.5-8	1221-2	1218.5/1216	1217-7.5	1216.5-7	159,340 lots
Copper, Grade A (£ per tonne)					Total daily turnover 32,037 lots	
Cash	1519.5-20.5	1508.5-9.5	1520	1520-1.5		
3 months	1544-4.5	1533.5-4	1549.5/1540	1544-4.5	1539-40	151,375 lots
Lead (£ per tonne)					Total daily turnover 8,439 lots	
Cash	286-7	281.5-2.5	282.75	282.75-3		
3 months	295.5-6	291-2	297/292.25	292.25-2.75	294.5-5.5	18,162 lots
Nickel ($ per tonne)					Total daily turnover N/A lots	
Cash	6185-95	6170-80	6211/6210	6211-2		
3 months	6250-60	6235-40	6310/6225	6270-5	6225-8	41,589 lots
Tin ($ per tonne)					Total daily turnover 1,543 lots	
Cash	5750-60	5730-40	5765	5760-5		
3 months	5810-5	5795-800	5830/5800	5825-8	5820-5	8,160 lots
Zinc, Special High Grade ($ per tonne)					Total daily turnover 20,181 lots	
Cash	1032-3	1059.5-60.5	1054.5	1054.5-5		
3 months	1050-1	1078.5-9	1077/1046	1072.5-3	1045-6	80,612 lots

LME Closing £/$ rate: SPOT: 1.4370 3 months: 1.4270 6 months: 1.4196 9 months: 1.4136

LONDON BULLION MARKET (Prices supplied by N M Rothschild)

Gold (troy oz)	$ price	£ equivalent
Close	329.90-330.20	
Opening	330.40-330.80	
Morning fix	330.35	228.933
Afternoon fix	329.90	229.703
Day's high	330.50-330.80	
Day's low	329.40-329.70	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.57	6 months	2.38
2 months	2.49	12 months	2.39
3 months	2.47		

Silver fix	p/troy oz	US cts equiv
Spot	249.25	360.15
3 months	253.00	362.95
6 months	256.65	366.10
12 months	263.00	372.25

GOLD COINS

	$ price	£ equivalent
Krugerrand	330.40-333.40	228.00-230.00
Maple leaf	339.65-341.90	-
New Sovereign	78.50-81.50	54.00-56.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Apr	Jul	Apr	Jul
1175	40	71	5	13
1225	11	40	26	31
1275	3	19	66	60
Copper (Grade A)	**Calls**		**Puts**	
2100	101	125	4	15
2200	30	59	32	48
2300	4	22	105	109
Coffee	**May**	**Jul**	**May**	**Jul**
900	77	68	23	44
950	48	47	44	73
1000	29	32	75	108
Cocoa	**May**	**Jul**	**May**	**Jul**
725	53	70	18	25
750	38	55	28	35
775	27	42	42	47
Brent Crude	**Apr**	**May**	**Apr**	**May**
1850	67	88	23	40
1900	26	50	46	-
1950	13	32	64	-

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Feb	329.7	331.1	331.3	329.9
Mar	329.7	330.9	0	0
Apr	330.4	331.6	332.2	330.1
Jun	331.7	332.9	333.4	331.4
Aug	332.9	334.1	333.5	333.0
Oct	334.3	335.5	0	0
Dec	335.7	336.9	336.8	335.0
Feb	337.1	338.3	337.5	337.3
Apr	338.6	339.8	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	346.2	346.6	347.0	342.2
Jul	341.2	344.8	344.5	340.0
Oct	339.7	343.6	341.7	339.0
Jan	337.6	341.6	343.0	339.0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Feb	356.0	358.0	0	0
Mar	356.0	358.2	359.5	355.5
May	358.4	360.6	362.0	358.0
Jul	360.8	363.0	364.5	360.0
Sep	363.3	365.5	366.0	364.0
Dec	366.8	369.0	370.0	366.0
Jan	367.2	369.4	0	0
Mar	370.4	372.6	374.5	371.0
May	373.0	375.2	0	0
Jul	375.6	377.8	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Feb	95.65	97.65	97.60	95.65
Mar	95.85	97.85	97.65	95.70
Apr	96.30	98.05	97.65	96.95
May	96.70	98.45	98.40	96.65
Jun	97.10	98.75	98.60	97.10
Jul	97.45	99.05	99.15	97.40
Aug	97.85	99.35	99.20	98.50
Sep	98.20	99.65	99.60	98.30

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Apr	20.37	20.48	20.48	20.30
May	20.41	20.48	20.49	20.34
Jun	20.44	20.51	20.52	20.38
Jul	20.47	20.53	20.55	20.43
Aug	20.50	20.56	20.56	20.47
Sep	20.50	20.57	20.58	20.49
Oct	20.50	20.58	20.50	20.50
Nov	20.53	20.57	20.58	20.56
Dec	20.48	20.55	20.58	20.46
Jan	20.58	20.54	20.56	20.56

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Mar	56.95	57.27	57.45	56.80
Apr	57.25	57.34	57.60	57.05
May	55.55	56.72	57.05	56.60
Jun	56.10	56.37	56.60	55.95
Jul	56.05	56.47	56.70	56.05
Aug	56.80	57.07	57.00	56.80
Sep	57.80	58.17	57.90	57.80
Oct	58.80	59.17	58.95	58.80
Nov	59.80	60.02	59.90	59.75
Dec	60.90	60.87	60.90	60.90

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Mar	952	934	958	926
May	969	967	972	960
Jul	993	991	995	987
Sep	1015	1015	1018	1008
Dec	1044	1043	1042	1036
Mar	1070	1069	1073	1066
May	1090	1092	1097	1097
Jul	1113	1112	0	0
Sep	1141	1144	1141	1136
Dec	1166	1161	1170	1162

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Mar	65.15	63.90	66.20	63.30
May	68.00	65.85	68.40	65.45
Jul	69.70	67.60	70.00	67.10
Sep	71.40	69.10	71.40	69.00
Dec	73.75	71.70	73.90	71.70
Mar	76.25	74.25	0	0
May	78.50	76.50	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	9.54	9.38	9.60	9.40
May	9.87	9.72	9.96	9.71
Jul	10.07	9.89	10.10	9.92
Oct	9.29	9.09	9.29	9.13
Mar	8.65	8.87	9.04	8.84
May	8.94	8.86	0	0
Jul	8.95	8.87	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Mar	63.50	63.73	64.10	63.35
May	63.24	63.53	63.60	63.12
Jul	64.10	64.33	64.65	64.05
Oct	63.82	63.80	64.00	63.85
Dec	62.75	62.85	62.90	62.75
Mar	63.50	63.60	0	0
May	64.07	64.20	0	0
Jul	64.67	64.75	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Mar	70.45	69.90	70.50	68.90
May	74.00	73.35	74.00	72.55
Jul	77.00	76.60	77.00	75.60
Sep	79.00	79.25	79.00	79.00
Nov	81.80	81.40	0	0
Jan	83.65	83.95	84.20	83.60
Mar	85.55	86.00	86.50	86.00
May	85.55	86.00	0	0
Jul	90.45	90.00	0	0

INDICES

REUTERS (Base:September 18 1931 = 100)

Feb 24	Feb 23	mnth ago	yr ago
1769.9	1777.2	1687.2	1606.0

DOW JONES (Base: Dec. 31 1974 = 100)

	Feb 23	Feb 22	mnth ago	yr ago
Spot	125.49	124.88	121.68	118.80
Futures	126.05	126.85	120.98	121.62

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Mar	575/2	575/0	577/0	573/4
May	574/2	574/2	575/6	573/2
Jul	578/2	577/4	579/6	577/0
Aug	580/4	579/6	581/6	579/4
Sep	581/6	580/2	582/4	580/4
Nov	587/2	586/2	588/2	585/4
Jan	595/0	593/0	596/0	595/4
Mar	601/6	600/2	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	20.61	20.74	20.80	20.60
May	20.87	20.99	21.06	20.86
Jul	21.08	21.20	21.28	21.05
Aug	21.09	21.26	21.26	21.09
Sep	21.12	21.26	21.30	21.12
Oct	21.13	21.27	21.30	21.13
Dec	21.23	21.32	21.37	21.20
Jan	21.25	21.32	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Mar	177.4	176.9	178.4	176.7
May	178.8	178.1	179.8	178.0
Jul	180.5	180.0	181.8	180.1
Aug	181.8	181.1	182.8	181.2
Sep	182.6	182.0	183.5	182.2
Oct	183.8	183.0	184.2	183.2
Dec	186.1	185.0	186.7	185.3
Jan	186.3	185.6	186.5	186.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Mar	211/6	211/6	212/4	211/6
May	219/6	219/6	220/4	219/6
Jul	226/6	226/6	227/4	226/6
Sep	232/6	232/4	233/4	232/6
Dec	238/6	238/4	239/4	238/6

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Mar	374/4	374/2	378/6	373/4
May	338/0	340/0	342/4	337/4
Jul	318/2	318/0	320/0	317/4
Sep	322/6	321/4	323/2	321/0
Dec	330/6	328/4	331/0	328/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	80.125	78.675	80.500	79.900
Jun	73.925	73.625	74.300	73.825
Aug	70.800	70.850	71.225	70.650
Oct	72.100	72.275	72.600	72.050
Dec	72.800	73.075	73.300	72.800
Feb	72.025	72.250	72.500	72.025

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	45.100	45.025	45.375	44.925
Jun	50.725	50.925	51.125	50.575
Jul	49.150	49.325	49.450	49.025
Aug	46.675	46.875	47.000	46.550
Oct	41.900	42.050	42.100	41.700
Dec	43.000	43.100	43.300	43.000
Feb	43.200	43.150	43.200	0

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Mar	39.200	39.425	39.475	38.700
May	40.600	40.700	40.900	40.050
Jul	40.900	40.950	40.975	40.300
Aug	39.400	39.450	39.800	39.000

LONDON STOCK EXCHANGE

Equities on hold for ICI statement

By Terry Byland, UK Stock Market Editor

UK STOCK market investors were keeping well below the parapet yesterday as they waited for ICI, London's senior blue chip company, to disclose details of the financing involved in its demerger plan when it announces trading figures this morning. The likelihood of a near £1bn rights issue from ICI, even though widely predicted by analysts, was enough to keep many fund managers away from the market yesterday.

Indeed, the Footsie Index to a large extent tracked the ICI share price, falling smartly in early trading but then rallying in the second half of the session. The initial fall in UK equities was sparked off by a sharp fall in the March contract on the Footsie, while the closing rally took in some buying support from overseas investors attracted by weakness in sterling. Also helping London was the early strength of the New York market which was 18 Dow points ahead in UK trading hours.

The final reading put the FT-SE Index at 2,817, a net loss on the day of 1 point. At these levels – the Footsie dipped to 2,810 in early deals, the lower end of the market's trading range appears firmly held. The chances of a fresh move to the upper end of the range, in the 2,900 area, waits upon ICI.

The focus turned back towards the Footsie stocks, with the pharmaceuticals leading the market when overseas buyers appeared in the final hour of trade. The FT-SE Mid 250 Index fell 7.2 to 3,029.9. Non-Footsie shares made up 65 per cent of the day's Seaq volume total of 592.7m. Tuesday's Seaq total of 597.8m shares was worth £1.23bn at retail level.

"We will all be amazed if ICI doesn't make a rights issue this morning," commented one leading dealer. However, wild rumours circulated, the most prevailing being a suggestion that Glaxo might bid for Zeneca, the proposed pharmaceutical and bio technology company to be formed if the ICI demerger is carried through.

The rest of the market continued to lack direction, and it was left to corporate developments to provide what few highlights there were. British Aerospace, disclosing a £1.2bn loss for the year, nevertheless pleased the market with its dividend policy. Bank shares remained easier in the wake of the increased debt provisions announced this week by National Westminster.

The weakness in sterling, which depressed government bond prices, was noted cautiously in an equity market still expecting further cuts in domestic interest rates. Some strategists, however, said that such hopes were now being reined in to "only half a point and not necessarily at Budget time."

The strategy team at Smith New Court warned this week that the chances of further big falls in short-term interest rates have diminished as signs of economic recovery become more evident. While approving of the UK market "in absolute terms, Smith recommends a neutral stance.

With no further important data on the UK economy expected this week, share prices appear dependent on weighty list of impending rights issue, in which ICI may be the most prominent but is certainly not the only feature. Even the £1bn issue predicted from ICI would probably be acceptable in the market but traders will be happy to have the uncertainty taken off their shoulders.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ASDA Group	5,800	62½	-½
Abbey National	1,500	385	
Albert Fisher	319	67	
Allied-Lyons	689	590	-5
Amstrad	5,100	29½	+½
Anglian Water	848	519½	-½
Argos	970	269	-3
Argyll Group	2,100	364	-1
Arjo Wiggins	751	195	-3
Ass. Brit. Foods	102	482	-1
Ass. Brit. Ports	123	377	-2
BAA	1,200	772	-13
BAT Inds	3,600	926	+2
BET	2,900	89½	+1
BICC	1,700	385	-4
BOC	869	760	+2
BP	7,400	275½	-½
BPB Inds	5,300	215	-2
BT	10,000	408	+2
BTR	2,300	551	-1
Bank of Scotland	347	133	
Barclays	5,300	434	-3½
Bass	863	577	-6
Berisford Int	442	136	
Blue Circle	4,100	225	-7
Booker	166	421	+5
Boots	873	461	-3
Bowater	584	465	+5
Brit Aerospace	10,000	265	+13
British Airways	2,600	285	+5
British Gas	5,500	289	+3
British Land	1,900	229	-4
British Steel	2,600	78½	+1½
Bunzl	1,260	135	
Burmah Castrol	743	715	
Burton	6,400	74	+½
Cable & Wire.	1,200	730	+5
Cadbury Schweppes	1,600	458	-3
Calor Group	373	243	+1
Carlton Comms.	1,200	795	-2
Coats Viyella	906	224	
Comm. Union	1,800	575	+2
Cookson	2,300	207	-1
Courtaulds	308	560	-5
Dalgety	204	482	-3
De La Rue	550	653	+2
Dixons	592	218	
Eastern Elect.	757	457½	-½
East Midland Elect.	343	434	-2
Eng China Clays	1,500	439	-13
Enterprise Oil	51	453	
Eurotunnel Units	209	499	+3
FKI	1,000	125	-1
Fisons	2,200	225	-3
Foreign & Col. I T	853	218	+1
Forte	1,000	191	-3
Gen. Accident	3,000	567	-6
General Elect.	2,300	293	-3
Glaxo	4,600	652	-1
Glynwed Intl.	34	256	
Granada	2,600	360	
Grand Met.	3,500	443	-2
GUS A	545	1406	+16
GRE	9,300	186	+6
GKN	485	486	-3
Guinness	2,500	450	-6
HSBC (75p shs)	2,300	587	+4
Hammerson 'A'	1,200	332	+6
Hanson	5,000	248½	
Hanson Warrants	1,000	26¼	-½
Harrisons Crosfield	385	167	
Hillsdown	1,000	153	-2
IMI	195	283	+2½
ICI	1,700	1062	+8
Inchcape	1,100	594	+5
Johnson Matthey	152	479	+1
Kingfisher	1,100	550	+4
Kwik Save	457	842	+14
Ladbroke	1,300	192	-6
Land Securities	845	482	-2
Laporte	1,300	690	
Legal & General	882	482	-6
Lloyds Abbey	678	430	-3
Lloyds Bank	3,100	509	-8
LASMO	1,000	173	-3
London Elect.	185	451	-3
Lonrho	1,600	87	-1
Lucas	478	142	-2
MB Caradon	359	314	
MEPC	712	370	-8
Manweb	145	511	+3
Marks & Spencer	3,800	330	-8
Midlands Elect.	17	483	
Morrison (Wm.)	2,400	182	-1
NFC	281	284	-1
NatWest Bank	4,700	435	-5
National Power	1,700	312	-1½
Next	1,400	145	+½
North West Water	590	495½	+½
Northern Elect.	225	502	-1
Northern Foods	2,400	281	+5
Norweb	151	495	-2
Pearson	1,000	396	-1
P & O	471	547	+1
Pilkington	3,600	113	-2
PowerGen	755	315	
Prudential	3,500	309	-4
RMC	311	695	
RTZ	1,700	649	-2
Racal	2,000	191	+2
Rank Org.	1,600	693	-3
Reckitt & Colman	238	614	-1
Redland	859	480	+5
Reed Intl.	840	545	-1
Rentokil	909	219	+2
Reuters	780	1325	+11
Rolls Royce	1,800	128	
Rothmans	822	606	+3
Ryl Bk Scotland	1,900	225	-2
Royal Insurance	2,500	285	-2
Saatchi	177	160	-1
Sainsbury	2,000	504	-4
Scottish & New	1,300	432	-7
Scot. Hydro-Elect.	397	264	
Scottish Power	815	236	
Sears	5,700	96	-2
Sedgwick	601	161	-7
Seeboard	48	481	
Severn Trent Water	940	486	
Shell Transport	8,100	582	+1
Siebe	2,000	473	-7
Slough Ests	2,100	187	
Smith (W.H.) A	1,200	413	-10
Smith & Nephew	5,700	151½	-1½
SmKl Beecham	5,200	440	+15
SmKl Beecham Uts.	8,000	385	+18
Smiths Inds	485	346	
Southern Elect.	403	488	-4
South Wales Elect.	674	523	-1
South West Water	284	521	+5
South West. Elect.	68	483	-1
Southern Water	387	505	-3
Standard Chard.	745	644	+4
Storehouse	3,000	181	-3
Sun Alliance	1,900	318	+1
T&N	146	189	
TI Group	1,000	285	+3
TSB	2,400	171	-2
Tarmac	2,500	106	-5
Tate & Lyle	849	424	+2
Taylor Woodrow	2,100	85	+3
Tesco	3,100	233	-5
Thames Water	477	522	+2
Thorn EMI	464	822	-6
Tomkins	1,700	288	
Trafalgar House	8,100	78½	
Unigate	100	354	-2
Unilever	4,300	1139	+29
United Biscuits	792	388	
Utd. Newspapers	394	517	-8
Vodafone	1,100	383	+3
Warburg (SG)	110	620	-2
Wellcome	2,600	876	-5
Welsh Water	371	576	+3
Wessex Water	133	503	+1
Whitbread 'A'	806	444	+1
Williams Hldgs.	1,600	358½	-½
Willis Corroon	636	177	+4
Wimpey	162	136	-2
Wolseley	214	550	
Yorkshire Elect.	297	507	+2
Yorkshire Water	27	559	+1

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

Account Dealing Dates

*First Dealings:		
Feb 15	Mar 1	Mar 15
Option Declarations:		
Feb 25	Mar 11	Mar 25
Last Dealings:		
Feb 26	Mar 12	Mar 26
Account Day:		
Mar 8	Mar 22	Apr 5

*New time dealings may take place from 8.30am two business days earlier.

FT-SE Actuaries Share Indices — THE UK SERIES

FT-SE 100	FT-SE MID 250	FT-A ALL-SHARE
2817.0 -1.0	3029.9 -7.2	1377.40 -1.44

	Feb 24	Day's change %	Feb 23	Feb 22	Feb 19	Year ago	Earnings yield %	Dividend yield %	P/E Ratio	Xd adj ytd
FT-SE 100	2817.0	—	2818.0	2838.3	2840.0	2565.0	6.53	4.30	19.65	5.64
FT-SE Mid 250	3029.9	-0.2	3037.1	3049.0	3048.3	2507.9	6.83	4.24	18.52	7.00
FT-SE-A 350	1393.8	-0.1	1395.0	1404.0	1404.6	1243.9	6.60	4.29	19.39	2.96
FT-SE SmallCap	1525.04	-0.2	1528.25	1527.29	1525.97	–	5.39	4.21	25.89	4.16
FT-SE SmallCap ex Inv Trusts	1528.12	-0.3	1532.23	1531.25	1529.40	–	6.00	4.47	23.82	3.89
FT-A ALL-SHARE	1377.40	-0.1	1378.84	1386.90	1387.47	1228.94	6.52	4.28	19.69	2.97
1 CAPITAL GOODS(211)	923.03	-0.4	926.58	931.97	931.39	798.85	6.11	4.61	21.42	1.51
2 Building Materials(27)	962.10	-0.9	970.87	982.10	980.67	985.75	5.30	5.49	26.66	0.77
3 Contracting, Construction(29)	826.00	-0.2	827.62	825.34	823.94	892.44	3.03	5.88	80.00†	1.23
4 Electricals(14)	2577.51	-0.6	2592.32	2619.68	2620.14	2446.03	6.21	5.63	21.12	3.25
5 Electronics(35)	2502.82	-0.9	2526.06	2530.18	2537.84	1846.22	6.34	3.41	19.96	14.53
6 Engineering-Aerospace(7)	345.00	+1.4	340.39	342.25	339.94	328.02	10.25	6.01	12.42	0.00
7 Engineering-General(52)	546.95	—	547.17	552.90	553.29	490.69	7.32	4.35	17.47	1.29
8 Metals & Metal Forming(11)	362.82	+0.9	359.54	363.66	361.86	328.00	4.78	3.66	30.41	0.29
9 Motors(18)	398.50	-0.6	400.80	404.00	405.59	314.91	4.97	5.89	29.61	0.00
10 Other Industrials(18)	2002.07	-0.4	2009.26	2014.86	2010.50	1609.99	6.21	4.24	19.55	0.39
21 CONSUMER GROUP(232)	1673.02	-0.1	1675.25	1687.78	1697.19	1678.70	7.05	3.59	17.63	3.39
22 Brewers and Distillers(28)	1930.22	-0.8	1945.86	1969.48	1984.52	2117.29	8.73	3.93	13.97	10.18
25 Food Manufacturing(22)	1389.77	+0.9	1377.09	1375.08	1369.21	1267.60	7.60	3.84	16.40	1.54
26 Food Retailing(18)	3109.01	-0.7	3131.42	3200.52	3192.57	2670.63	8.18	3.38	15.91	2.40
27 Health & Household(29)	3733.89	+0.7	3708.60	3715.80	3797.39	4382.05	6.17	3.19	18.77	0.54
29 Hotels and Leisure(20)	1315.29	-0.7	1324.82	1330.74	1335.86	1304.06	6.48	5.24	20.32	7.06
30 Media(33)	1850.02	+0.1	1848.91	1844.36	1840.99	1550.44	5.62	2.91	22.15	1.42
31 Packaging and Paper(23)	826.97	-0.1	827.49	835.50	838.60	752.99	6.52	3.99	18.93	0.57
34 Stores(39)	1104.43	-0.8	1113.90	1128.92	1128.19	1066.52	6.48	3.30	20.47	2.92
35 Textiles(20)	784.19	-0.1	784.71	787.30	784.29	638.54	6.28	4.05	20.17	0.49
40 OTHER GROUPS(142)	1475.10	+0.1	1473.36	1484.15	1483.57	1237.42	8.22	4.48	14.99	3.36
41 Business Services(27)	1621.96	+0.5	1614.31	1634.33	1638.51	1392.18	5.53	3.18	22.30	0.33
42 Chemicals(23)	1454.14	+0.1	1452.40	1457.08	1478.66	1519.07	6.24	5.03	20.19	0.45
43 Conglomerates(11)	1478.86	-0.1	1479.63	1476.58	1474.08	1337.92	7.15	5.40	15.83	2.79
44 Transport(16)	2885.94	-0.2	2890.57	2922.98	2914.40	2435.20	7.41	4.12	16.37	3.49
45 Electricity(16)	1643.69	-0.2	1647.02	1638.96	1637.53	1218.77	13.18	4.62	9.75	16.54
46 Telephone Networks(4)	1691.47	+0.6	1682.06	1694.69	1685.88	1412.38	7.78	4.04	16.75	1.63
47 Water(13)	3460.73	+0.1	3456.65	3462.13	3422.97	2462.79	13.06	5.12	8.51	11.83
48 Miscellaneous(32)	2384.31	-0.2	2388.40	2457.78	2465.07	1852.85	6.12	4.31	20.58	0.46
49 INDUSTRIAL GROUP(585)	1428.82	-0.1	1430.15	1440.33	1443.75	1316.85	7.28	4.08	17.15	2.92
51 Oil & Gas(18)	2357.35	+0.2	2352.30	2324.89	2328.85	2045.81	8.06	5.50	21.71	5.06
59 "500" SHARE INDEX(603)	1513.13	-0.1	1514.04	1521.80	1525.30	1385.72	7.15	4.23	17.54	3.10
61 FINANCIAL GROUP(89)	947.16	-0.4	950.62	961.12	950.37	728.51	3.77	4.91	46.50	2.45
62 Banks(9)	1305.44	-0.5	1312.12	1336.29	1312.88	906.22	6.27	4.56	22.82	5.72
65 Insurance (Life)(8)	1889.97	-1.0	1908.86	1909.26	1902.64	1484.16	2.68	4.81	65.86	0.00
66 Insurance (Composite)(7)	625.65	+0.3	623.88	629.12	630.32	491.05	†	4.92	‡	0.00
67 Insurance Brokers(10)	773.79	-0.4	776.91	778.34	782.92	970.95	7.59	6.90	17.77	0.88
68 Merchant Banks(6)	593.77	+0.6	590.38	590.27	590.65	464.14	7.20	3.85	18.27	0.00
69 Property(28)	722.63	-0.3	724.71	724.10	713.52	733.19	7.77	5.86	16.66	1.04
70 Other Financial(23)	338.65	+0.2	338.20	337.01	335.23	246.47	6.47	5.00	20.29	0.19
71 Investment Trusts(107)	1433.16	-0.1	1434.25	1435.12	1441.36	1183.83	2.32	2.95	43.06	4.43
99 FT-A ALL-SHARE(799)	1377.40	-0.1	1378.84	1386.90	1387.47	1228.94	6.52	4.28	19.69	2.97

Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	15.10	High/day	Low/day
FT-SE 100	2818.9	2815.0	2819.3	2815.4	2815.4	2819.4	2818.1	2818.9	2815.5	2821.7	2810.1
FT-SE Mid 250	3033.9	3032.0	3032.1	3031.1	3029.6	3030.0	3029.5	3030.7	3029.6	3034.2	3029.1
FT-SE-A 350	1395.0	1393.3	1395.0	1393.4	1393.2	1394.8	1394.2	1394.7	1393.2	1396.0	1391.3

Gross dividend yield (ACT at 25%) FT-SE 100: 4.30%

FT-SE Actuaries 350 Industry Baskets

Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	15.10	Close	Previous close	change
Constrcn	1626.4	1624.2	1627.7	1630.7	1630.7	1634.2	1634.2	1634.2	1633.6	1633.6	1629.2	+4.4
Health&H	1128.7	1123.6	1121.3	1114.8	1115.7	1120.2	1120.3	1121.8	1121.6	1123.7	1115.6	+8.1
Water	1427.7	1426.7	1427.1	1427.8	1428.0	1427.5	1427.5	1432.8	1431.4	1431.1	1428.8	+2.3
Banks	1590.4	1591.2	1594.2	1596.4	1595.8	1595.1	1593.2	1590.0	1585.8	1585.7	1594.6	-8.9

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address.
The increase in the size of the FT-Actuaries All-Share Index from January 4 1993 means that the FT 500 now contains more stocks. It has been renamed the FT "500". † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.
The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 indices are compiled by the London Stock Exchange and the FT-Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1993. © The Financial Times Limited 1993. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited.
The FT-SE Actuaries Share Indices are audited by The WM Company

Dividend from BAe pleases

SHARES in British Aerospace (BAe) rose sharply, brushing aside the announcement of Britain's largest ever corporate profits loss at just over £1.2bn, for the year to December 1992.

The market had braced itself for the big loss from the UK's largest manufacturer but was cheered by a lack of black holes in the figures, and the higher than anticipated 4p dividend, against market expectations of a 3p final.

There was strong demand for the stock and at the day's best, the shares were up 17 at 289p, before coming off the top to close 13 up at 265p, after UBS Phillips and Drew advised investors to switch out of BAe and into Rolls-Royce. Turnover was a hefty 9.7m. Analysts also put the decline down to a closer examination of the poor performance of the defence division.

Once again there was speculation that GEC could be considering a bid for BAe, although this was largely disregarded by aerospace specialists.

Mr Paul Ruddle at NatWest Securities said: "This marks a turnaround for the group, and shows the management has got to grips with the problems." He retained his current year forecast at £60m, putting him at the bottom of the range with brokers such as Hoare Govett, BAe's broker, said to be on £135m and Smith New Court reported to be predicting £150m.

Analysts are due to have another meeting with the company tomorrow when further details about the trading outlook are expected to emerge. Shares in GEC eased 3 to 293p, while Rolls-Royce closed unchanged at 128p.

Kwik Save strong

Rumours continued to circulate around Kwik Save as the shares continued their upward climb, yesterday adding a further 14 to 842p on talk of an imminent bid from Dairy Farms. The shares' strength in recent weeks, in stark contrast to a weak food retail sector, has been underpinned by the continuing buying by the Hong Kong food group, which has taken its holding in Kwik Save from 26 per cent to over 28 per cent this year.

Although Dairy Farms has always said it is a long-term passive investor in Kwik Save, excitement was generated early on yesterday following market talk in Hong Kong that Dairy Farms would make a big rights issue when it announces results on March 16. With only around 8 per cent gearing, the speculative implication was that the group was lining up a bid, with Kwik Save the obvious contender. However, such a move would break all agreements between the two groups.

UK food analysts, largely dismissive of a Dairy Farms bid, suggested that the group may have been buying Kwik Save shares ahead of a possible rights issue from the UK group, the proceeds of which could be used to buy stores from Gateway.

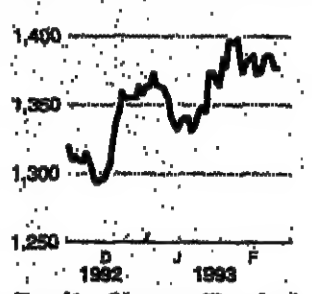
New bid seen

There was almost universal support in the market for the neccessity of an increased bid from Airtours if it is to succeed in capturing its larger rival Owners Abroad. The speculation followed the decision by the secretary of state for trade and industry not to refer the bid to the Office of Fair Trading.

Mr Hamish Dickson at Hoare Govett forecast that Airtours would probably produce a cash incentive of around 17p on top of their current 113p a share all-paper offer. Hoare's is advising Owners investors to sit tight in expectation of a renewed offer, with Airtours a strong buy also.

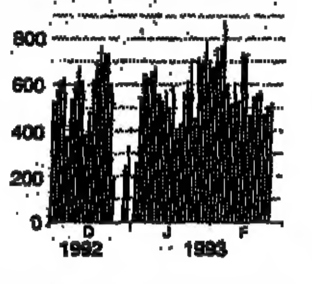
Smith New Court believes Airtours may not be so generous, with analyst Mr Bruce Jones suggesting an increased offer of 125p, with a possible cash alternative. Some speculative investors thought otherwise, with the Owners shares yesterday spurting to close 13 ahead at 129p in big turnover of nearly 9m. Airtours put on 5 to 302p. Suggestions that LTU, the German travel group which had planned a co-operative shareholding in Owners, might ride to the rescue did not find much support among analysts.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million) Excluding: Intra-market business & Overseas turnover



ICI on alert

On the eve of its results due today, ICI shares put on a late spurt as rumours abounded over the fate of the demerger and the threatened rights issue. Analysts declared themselves none the wiser, as the shares first languished on the belief that a £1bn cash call would be forthcoming today, and then spurted forward as wild talk suggested that Glaxo was putting together a bid for ICI's proposed bio-science division, Zeneca.

The favourite scenario remains that ICI will go forward with the demerger and it will choose today to launch its rights issue – with some suggestions of a 1-for-5 at 700p – rather than try through Zeneca post-demerger in an unstable pharmaceuticals sector. ICI shares added 8 to 1062p. Glaxo slipped a penny to 652p.

Royal Insurance eased 2 to 285p in front of today's preliminary figures which are expected to show losses sharply reduced at around £120m, compared with last time's £373m loss. The main action in insurance, however, was in Guardian Royal (GRE) which ran up 6 to 186p amid stories that a buyer of 5m had been operating in the market; turnover of 9.3m in GRE was the highest single day's business since November last year. GRE is scheduled to report preliminary figures on March 3. A single big selling order of 1.2m shares at 559p unsettled General Accident, 6 off at 567p.

Activity in the oil sector was concentrated on Shell and Royal Dutch. Dealers reported heavy switching operations, out of Royal Dutch and into Shell with the latter said to have been 8 to 8½ per cent too cheap against the Dutch group. Shell closed a shade firmer at 582p following substantial turnover of 7.4m shares, ahead of today's preliminary figures.

Building stocks tended to lose ground on a mixture of rights issue fears, broker sell recommendations and official statistics disclosing that UK construction orders fell 9 per cent in the last quarter of 1992.

Yamaichi, the Japanese stockbroker, warned that "there is strong evidence to expect another wave of rights issues from the sector, similar to that experienced in 1991 when 16 building sector companies raised a total of £1.2bn". Mr Scott Fulton, Yamaichi's building analyst, pointed out that recovery hopes have seen the building materials and construction sectors outperform the FT-A All-Share index by 21.6 per cent and 33.2 per cent respectively since "Black Wednesday". Yamaichi pinpointed "rights risks" on five companies due to announce results in the next two months; Amec, Mowlem, Persimmon, Taylor Woodrow and Wimpey. The building team at Carr Kitcat & Aitken said "we believe there are at least £1bn of fund raising in the pipeline."

Blue Circle Industries (BCI), a good market recently on renewed takeover speculation, fell 7 to 225p, after 220p, with Kleinwort Benson said to have reaffirmed its bearish stance. Several brokers have forecast a cut in BCI's 1993 payment.

Fears that the OFT may launch an investigation into the activities of photocopier companies hurt several companies in the sector. Southern Business Group, tumbled 34 to 79p, while Gestetner fell 11 to 131p.

A weighty tome on the UK property market from NatWest Securities found some room for optimism that the sector had begun clawing its way back. Analyst Mr Marc Gilbard added that there had been a significant shift in the market's perception of valuing property stocks with net asset value being replaced by dividend yield. NatWest is particularly keen on Land Securities off 2 at 482p.

MARKET REPORTERS:
Christopher Price,
Joel Kibazo,
Steve Thompson.

■ Other market statistics, Page 17.

NEW HIGHS AND LOWS FOR 1992/93

NEW HIGHS (126).

BRITISH FUNDS (25) Tr 7¼pc '98, Tr 14pc '98-01, Cv 9½pc '04, Cv 9½pc '05, Tr 13¾pc '04-08, Cv. 9pc '11, Tr. 9pc '12, Tr. 7¾pc '12-15, Tr 8¾pc '17, Do C. Consols 4pc, Consols 2½pc, Tr. 3pc '66 Aft., Tr. 2½pc IL '01, Tr 2½pc IL '03, Tr. 4⅜pc IL '04, Tr 2pc IL '06, Tr 2½pc IL '09, Tr 2½pc IL '11, Tr. 2½pc '06-12, Tr. 2½pc IL '13, Tr 2½pc IL '16, Tr 2½pc IL '20, Tr. 2pc IL '24, Tr. 4⅛pc IL '30, **AMERICANS (4)** Ameritech, Gillette, Morgan (JP), Southwestern Bell, **CANADIANS (2)** Amer. Barrick, Hudson's Bay, **BANKS (5)** Bk. Scot 9¼pc Pf., Do 9¾pc Pf., Deutsche Nat Aust., Sumitomo, **BREWERS (1)** Kirin, **BLDG MATLS (3)** Anglian, Lafarge, St Gobain, **BUSINESS SERVS (3)** Br Data Mngemt., Inchcape, Ponna, **CHEMICALS (1)** BTR Nylex, **CONTG & CONSTRCN (1)** Berkeley, **ELECTRICITY (1)** Midlands, **ELECTRONICS (6)** Acal, Macro 4, Misys, Rivo, Siemens, Tunstall, **ENG AERO (1)** Westland, **ENG GEN (3)** Barry Wehmiller, TT, VSEL, **FOOD MANUF (2)** Unilever, Do N/V, **FOOD RETAILING (1)** Kwik Save, **HEALTH & HSEHOLD (2)** Bespak, Paterson Zochonis, **HOTELS & LEIS (4)** Granada, Mandarin Oriental, Owners Abroad, Do 9¾pc Pf., **INSCE BROKERS (1)** Lloyd Thompson, **INSCE COMPOSITE (1)** Aegon, **INSCE LIFE (2)** Britannic, Lon & Manchester, **INV TRUSTS (15)** BZW Cv Units '96-02, Brazilian, Euro. Assets, First Philippine, Foreign & Col Eurotrust, Genesis Emrg Mkts., Jupiter Euro., Martin Currie Pac., Do Wts., Rights & Issues Inc., River & Merc Geared Inc., River & Merc. Tst Stpd. Pf., Scot Asian, Second Market, Thornton Asian Emrg Mkts., **MEDIA (2)** Blenheim, Walmoughs, **MERCHANT BANKS (4)** Hambros, Kleinwort Benson, Schroders, Do N/V, **MISC (2)** Holders Tech., Lambert Hwth., **MOTORS (4)** Bletchley, First Tech., Lookers 8pc Pf., Quicks, **OIL & GAS (3)** Mobil, Occidental, Total, **OTHER FINCL (6)** Cater Allen, Daiwa, Invesco MIM, LOF's, Lon. Scot., Tyndall Aust., **OTHER INDLS (1)** Baynes, **PACKG, PAPER & PRINTG (5)** API, Bemrose, Br Polythene, Kleerfold, Low & Bonar, **PROP (2)** Davis (Ot), Inoco, **STORES (4)** Clinton Cards, French Connection, Fine Art Devs., The Rack, **TEXTS (1)** Toray, **TRANSPORT (1)** Mersey Docks, **WATER (2)** Cheam, Mid Kent, **MINES (5)** Antofagasta, Delta Gold, Pancont'l, Sons Gwalia, Zambia Copper

NEW LOWS (13).

BLDG MATLS (2) Johnson, Ramus, **CONTG & CONSTRCN (1)** CRP, **FOOD RETAILING (1)** Appleby Westward, **HOTELS & LEIS (1)** Verity, **INV TRUSTS (2)** Derby Inc., M & G 2nd Dual Inc, **MISC (2)** Erskine, Hornby, **STORES (1)** Pentos, **MINES (3)** Ennex, Meekatharra, OFS

FINANCIAL TIMES EQUITY INDICES

	Feb 24	Feb 23	Feb 22	Feb 19	Feb 18	Year ago	High	Low
Ordinary share	2172.9	2180.7	2198.0	2200.7	2197.2	1986.7	2226.1	1670.0
Ord. div. yield	4.46	4.45	4.42	4.40	4.39	4.50	5.34	4.23
Earning yld % full	5.99	5.99	5.94	5.92	5.91	6.53	-	-
P/E ratio net	21.27	21.30	21.46	21.55	21.57	19.24	22.01	15.79
P/E ratio nil	19.54	19.57	19.71	19.79	19.81	18.29	-	-
Gold Mines	95.3	93.5	93.3	93.5	93.5	127.2	160.6	80.0

*for 1992/93. Ordinary share index since compilation, high 2226.1 8/2/93 - low 49.4 26/6/40
Gold Mines index since compilation high: 734.7 15/2/83 - low 43.5 26/10/71
Basis Ordinary share 1/7/35; Gold Mines 12/9/55

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2179.8	2174.5	2176.9	2174.2	2172.7	2174.3	2173.5	2173.9	2169.9	2180.9	2169.6

Volume	Feb 24	Feb 23	Feb 22	Feb 19	Feb 18	Year ago
SEAQ Bargains	27,383	29,945	27,865	26,899	29,426	33,359
Equity Turnover(£m)†	-	1232.7	1181.6	948.9	1460.4	1183.2
Equity Bargains†	-	34,344	32,045	30,750	33,506	37,900
Shares traded (ml)†	-	521.5	506.1	476.7	578.0	515.6

† Excluding intra-market business and overseas turnover.

London report and latest Share Index
Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p at all other times.

LONDON SHARE SERVICE

BRITISH FUNDS

	Notes	Price £	+ or -	1992/93 high	low	Yield Int.	Red.
"Shorts" (Lives up to Five Years)							
Treas 10pc 1993‡‡		100⅝	—	101½	99⅛	9.94	5.90
12½pc 1993‡‡		102⅝	—	104⅞	100½	12.18	5.78
Funding 6pc 1993‡‡		100⅞xd	—	100⅞	95⅞	5.99	5.62
Treas 13¼pc 1993‡‡		105½	—	107⅞	103⅝	12.60	5.57
8½pc 1994		102⅝	-⅛	102½	96⅛	8.27	6.52
14½pc 1994‡‡		108⅞xd	-⅛	110⅝	104⅛	13.33	6.55
Exch 13½pc 1994		108½	—	110½	103½	12.38	5.59
Treas. 10pc Ln. 1994‡‡		105⅛	—	105½	98½	9.49	5.60
Exch 12½pc 1994		109½	—	110⅛	103⅛	11.39	5.67
[illegible]							

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992/93 high	low	Yield Int.	Red.
8pc 2003 (£50 pd)		51⅞	-⅛	51½	48½	7.91	7.86
10pc 2003		113⅛xd	-⅛	114⅞	100⅞	8.78	8.06
Treas 11½pc 2001-4		120⅛xd	-⅛	121⅞	107⅞	9.52	8.00
Funding 3½pc '99-4		72½	-⅛	72½	59⅞	4.83	7.09
Conversion 9½pc 2004		108½	-⅛	110⅛	98½	8.64	8.18
9½pc 2005		110⅛	-⅛	110⅛	98½	8.63	8.20
Treas 12½pc 2003-5		128½	-⅛	129⅛	116⅞	9.71	8.42
8pc 2002-6‡‡		96⅞	-⅛	96⅞	85½	8.84	8.15
Treas 11¾pc 2003-7		122½	-⅛	123⅛	110½	9.56	8.37
[illegible]							

BRITISH FUNDS - Cont.

	Notes	Price £	+ or -	1992/93 high	low	Yield (1)	(2)
Index-Linked							
	(b)					(1)	(2)
Treas. 2pc '94	(102.9)	138⅛	-⅛	138⅛	122⅞	–	0.87
2pc '96	(67.9)	189⅛xd	-⅛	187⅞	176½	1.42	2.18
4⅝pc '98	(135.6)	108⅛	-⅛	108⅛	100½	2.03	2.62
2½pc '01	(78.3)	165xd	+⅛	165⅛	139½	2.83	2.98
2½pc '03	(78.8)	161⅛	+⅛	161½	135	2.81	3.10
4⅜pc '04	(135.6)	118⅛	+⅛	118⅛	101⅞	2.82	3.20
2pc '06	(69.5)	166½	+⅛	166½	137⅞	3.02	3.25
2½pc '09	(78.8)	150½	+⅛	150½	124½	3.22	3.42
[illegible]							

OTHER FIXED INTEREST

	Notes	Price £	+ or -	1992/93 high	low	Yield Int.	Red.
[illegible]							

Continued on next page

EQUITY FUTURES AND OPTIONS TRADING

STOCK index futures traded in a tight range of 20 points for most of the day, as the market waited to see if ICI will launch an anticipated £1bn rights issue with its demerger plans, writes Joel Kibazo.

The March contract on the FT-SE opened at 2,819, just ahead of its close on Tuesday. After a period of sideways trading, the contract started drifting lower as the talk of the possible ICI cash call increased.

The day's low of 2,810 was seen only 45 minutes after the start of trading, before a bout of closing of positions led to a brief respite in the downward trend.

That, however, did not last long and March once again drifted downwards with the early strength on Wall Street having no impact.

March finished at 2,818, at the same level as its close on Tuesday and at a small discount to the underlying cash market. Turnover was 8,037 trades by the close.

In traded options, the expiry of the February stock options was the main feature and it made a large contribution to the day's total turnover of 41,189 lots. Some 7,378 contracts were dealt in the FT-SE 100 option, and the Euro-FT-SE saw a total of 2,890 trades.

BT was the most actively dealt stock option with a total of 4,450 contracts and was followed by BTR at 3,243. Hanson, Asda and British Aerospace were also busy.

LONDON SHARE SERVICE

AMERICANS

	Notes	Price £	+ or -	1992/93 High	Low	Mkt Cap£m	Yld Gr's
Abbott Labs		16½xd	+⅛	21¼	14⅝	13,888	2.8
Allegheny & W.	♥	614p	-1	633p	228p	267.1	4.0
Amdahl		524p	—	1158p	438p	588.5	1.3
Amer Cyanamid		33⅞	+⅞	38⅝	28⅝	2,988	3.4
Amer Express		16⅝xd	—	17⅝	10⅞	7,947	4.2
Amer T & T		37⅝xd	+½	38¼	20⅝	50,369	2.4
Ameritech		52⅞	+⅛	53⅛	32½	22,981	4.8
BankAmerica		35⅝xd	-⅝	37¼	18¼	12,274	2.7
Bankers NY		47⅛xd	+1⅛	48½	26⅝	3,707	4.5
Bell Atlantic		36⅛	-½	38⅝	23⅛	18,984	4.7
BellSouth		36⅝	+½	38⅞	25	18,619	5.0
Bethlehem Steel	♥	11⅞xd	-⅛	13¼	5¼	1,074	–
Bowater		1489pxd	+22	1582p	905p	543.2	3.5
CPC	b	32⅞xd	+1⅛	34	22⅞	4,932	2.5
Cadiz Land Inc	♥	115p	—	242p	108p	–	–
California Engy		1418p	—	1420p	691p	268.2	–
Chase Manhattan		21⅛xd	-⅛	22¼	9⅛	3,248	3.9
Chrysler		25xd	-1⅛	28⅞	8⅞	7,321	1.7
Citicorp		17⅝xd	-⅛	18½	5⅞	6,442	–
Colgate-Palm		41⅛xd	+1⅛	43⅛	25¼	8,828	2.1
Cont'l Bank		1688p	—	1691p	499p	1,622	2.6
Dana		32⅛xd	+1⅛	34⅛	14⅞	1,473	3.4
Data General		857p	-10	1004p	384p	286.5	–
Decora Inds	♥	148p	—	148p	68p	–	–
Dun & Brad		39⅛	-⅛	40⅝	27⅝	8,870	4.0
Eaton		54⅛	-⅛	58⅛	32½	1,871	2.8
Echlin		17⅛xd	+⅛	18⅝	7⅜	1,008	2.7
FPL		27⅜	+⅛	27⅞	17½	4,909	6.3
Ford Motor		31	-1⅛	35½	15	15,131	2.2
Gen Elect		58⅛xd	+1⅛	61⅛	39⅛	48,747	3.0
General Host	♥	686p	—	723p	380p	–	3.7
Gillette		40⅛xd	+1½	40⅝	23½	8,817	1.2
Hasbro		20⅞	—	23½	12⅝	1,615	0.8
Honeywell		23⅛xd	-⅛	24⅝	16	3,199	2.8
Houston Inds		32⅞	-⅛	33⅛	22	4,257	6.3
IBM		35⅞xd					

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING-AEROSPACE

ENGINEERING-GENERAL

ENGINEERING-GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1992/93 high	low	Yld Gr's	NAV	Dis or Pm(-)
Scottish Inv	♣□	194	-1½	209	147	3.2	233.8	16.8
Warrants	□	45	—	48	21	–	–	–
Scot Mortgage	♣†□	189	—	198½	135	2.8	220.2	14.2
Scot National Inc	♣N□	93xd	-½	107	65¼	10.8	–	–
Cap	□	23	—	42	12½	–	61.9	62.9
Stepped Pf		162½xd	—	155½	126	6.3	–	–
Zero Div Pf		200½	—	212	168½	–	–	–
Warrants		4	—	9	3	–	–	–
Scot Value	fn	77	—	77½	48	3.1	75.2	-2.1
Sec Alliance	♣†	1470	—	1493	1068	3.3	1603.1	8.3
Second Consld	□	107	—	108	68	–	181.5	41.7
Second Market		298	+1	298	222	8.7	349.8	14.5
Sec Tst Scot	♣□	81½	—	83½	61	5.3	84.1	3.1
Select Assets		122	—	125	78½	1.8	169.2	27.9
Eq Ind Scd		139	—	133	106	4.4	–	–
Eq Ind Sard		139	—	139	106	4.4	–	–
SHIRESCOT	N	121	—	123	98	5.9	119.7	-1.1
Shires	♣	255	-1	262	188	9.8	239.1	-6.7
11pc Cv Ln '03/04		£131½	—	£131½	£95½	8.4	–	–
Starr Select		132	—	132	68	0.3	156.9	15.8
Warrants		37	—	37	10	–	–	–
Smaller Cos	□	87	—	98	68	3.4	101.7	8.1
Warrants		23	—	25	10	–	–	–
Sphere Inc	N□	18½	—	28	9½	23.9	31.2	40.7
Zero Div Pf		82¼	—	85¼	63¾	–	–	–
Summit		45	—	68	30	2.7	93.5	51.9
TR City of Lon	□	133	-½	137	97½	4.8	127.7	-4.1
TR Euro Growth	♣□	102	—	103	70	1.8	111.4	8.5
Ptg Sub		42½	—	54	27	4.2	–	–
TR Far East Inc	♣†□	135xd	—	139	78	4.4	134.9	0.1
Warrants		34½	—	38½	12	–	–	–
TR High Inc		114	—	118	91	7.0	111.7	-1.6
Sub		28	—	35	21	7.1	–	–
TR Pacific	♣□	132½	+1	134½	70	8.4	130.3	-1.7

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

MERCHANT BANKS

METALS & METAL FORMING

MISCELLANEOUS

INVESTMENT COMPANIES

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

MEDIA

MOTORS

OIL & GAS

OIL & GAS - Cont.

OTHER FINANCIAL

OTHER INDUSTRIALS

PACKAGING, PAPER & PRINTING

PACKAGING, PAPER & PRINTING - Cont.

PROPERTY

STORES

TELEPHONE NETWORKS

TEXTILES

TRANSPORT

WATER

SOUTH AFRICANS

PLANTATIONS

Tea

MINES

MINES - Cont.

	Notes	Price	+ or -	1992/93 high	low	Mkt Cap£m	Yld Gr's
Greenwich Res	♣□	12½	+¼	13	2	9.83	–
Hamdo Gold C$		24¼	+¼	£25½	£3½	458.0	2.1
Jeannie West IC	‡□	43	—	53	30	21.8	–
Kalls Mark IC	‡‡	8	+1	42	6	0.18	–
Kenmore	♣□	6½	-¼	8	2¼	0.24	–
Mallnga Res		10	—	40	8	1.99	–
Navan Res IC	♣	33	—	34	16	4.42	–
8pc Ln Notes		31	—	34	25	5.64	–
Oryx Gold		57	—	103	49¼	–	–
Plateau		39	—	13	3	1.37	–
RTZ	□	649	-2	699	469	6,809	4.0
Wavago	♣□	4¼	-½	8¼	1	2.27	–

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ).
- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ◆ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- ‖ Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
E Auction basis
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xx ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1225 a year for each security shown, subject to the Editor's discretion

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FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE:

OFFER PRICE:

BID PRICE:

CANCELLATION PRICE:

TIME:

HISTORIC PRICING:

FORWARD PRICING:

SCHEME PARTICULARS AND REPORTS:

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FT MANAGED FUNDS SERVICE

■ Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

Sharp (Albert E.) & Co (1000)F
Admin 5 Rayleigh Rd Hutton Brentwood Essex
Enquiries 0277 227300 Dealing 0277 261010

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
European	5	108.40	109.00	114.70	-0.50	1.40
Intl Bond & Conv	5	126.30	126.60	133.30	+0.70	5.42
Pooled Pension ♦	7	150.5	154.4	165.2	-0.1	–
Smaller Cos	5	61.22	63.04	66.36	-0.12	1.97
UK General	5	114.90	116.30	122.40	-0.90	2.79

Sheppards Unit Trust Mngmt Ltd (1200)F
1 White Hart Yard London Bridge SE1 071 407 5966

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Income	5	383.08	383.08	407.53	-1.91	5.08
Global Inc	5	58.37	58.37	62.1	-0.20	3.93
Brit Leaders	5	310.85	310.85	330.69	-1.97	3.1
Intl Leaders	5	183.6	183.6	195.32	+0.75	1.68
[illegible]	3½	52.92	54.24	56.35	-0.10	3.02

Singer & Friedlander UT Mgmt Ltd (1000)F
PO Box 224, Beckenham, BR3 4TF 081-663 3003

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
European Trust	6	52.73	52.73	56.08	-0.38	1.38
Far Eastern Tst	6	56.90	57.66	61.35	+0.42	0.81
Smaller Cos	5	141.3	145.5	154.8	-0.3	2.13

Smith & Williamson Unit Tst Mgrs (1600)F
1 Riding House St. London W1A 3AS 071-637 5377

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
S & W American ♦	5	262.2	262.7	277.9	-4.50	0.98
S & W Capital	5	114.1	114.1	122.7	[illegible]	[illegible]
S & W Cash ♦	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
S & W European	5	115.4	115.5	122.2	-0.10	1.27
S & W Far Eastern	5	119.8	121.0	128.0	-0.50	0.15
S & W Growth	5	122.2	123.7	130.8	-1.10	1.53
S & W Income	5	110.0	111.2	117.5	-0.10	5.05
[illegible]	5	121.1	121.1	129.7	-0.70	1.96
S & W Smllr Secs	5	299.8	306.1	323.8	+0.40	0.60
S & W Thoroughbred	5	140.1	140.1	150.2	-0.70	1.70

Societe Generale Touche Remnant (1200)F
Mermaid Hse, 2 Puddle Dock, EC4V 3AT 071-410 4029

[illegible]

OTHER UK UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

Continued on next page

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378

Prolific Life & Pensions Ltd

Stramongate, Kendal, Cumbria LA9 4UB 0539 733733

Managed Fund see Balanced Growth Managed Fund

	Bid Price	Offer Price	+ or −	Yield Gross
Life Funds				
Adventurous Mngd.	166.1	176.8		–
Balanced Gwth Mngd	672.1	715.1	−1.8	–
Cautious Mngd	129.3	137.6		–
Cash Fd	317.9	335.0		–
Property Fund	216.7	230.6		–
Gilt Fund 20	449.7	478.5	+0.2	–
Equity Fund	777.6	827.3	−0.6	–
Fxd. Int. Fund	419.9	442.5	+0.6	–
International	347.4	369.6	+0.2	–
High Income	601.2	639.6	−0.3	–
Technology	445.2	473.7	−1.5	–
North American	459.6	489.0	−0.2	–
Far East	469.7	499.7	+4.2	–
Special Sits	552.2	587.5	−3.1	–
Extra Inc Fd	326.3	347.2	−2.0	–
American Income	190.5	202.7	+1.0	–
Convertible & Gilt Fd	160.6	170.9	+0.5	–
European Fund	126.6	134.7		–
Prof & Fixed Int	116.4	123.9	+0.5	–
UK Blue Chip	117.3	123.7	−0.9	–
Recovery Fund	116.6	122.9	−0.7	–
Equity Income Dist.	109.2	116.2	−0.4	4.88
Managed Dist.	103.5	110.2	−0.1	5.60
High Yield Dist	105.3	111.0	+0.5	8.10
Pension Funds				
Adventurous Mngd Pens Acc	176.1	185.4	−0.1	–
Balncd Gth Mngd Pens Acc	792.8	834.6	−2.4	–
Cautious Mngd Pens Acc	150.1	158.0	+0.1	–
Building Soc. Acc	366.0	386.2		–
Property Pens. Acc.	295.4	311.0		–
Fix Int. Pens Acc.	664.2	699.2	+1.0	–
Equity Pens Acc.	1017.3	1070.9	−0.7	–
International Pens Acc	325.2	342.4	+0.2	–
High Inc Pens Acc	678.0	713.7	−4.4	–
Tech Pens Acc.	312.9	329.4	−1.9	–
N American Pens Acc	353.7	372.4	−0.1	–
Far Eastern Pens Acc	479.3	504.6	+3.6	–
Special Sits Pens Acc	455.7	479.7	−3.3	–
Extra Income Pens Fd	401.2	422.4	−3.6	–
American Inc Pens	221.4	233.1	+0.5	–
Convertible & Gilt Pen	196.2	206.6	+1.3	–
European Pens	141.8	149.3		–

Reliance Mutual

Reliance House, Tunbridge Wells, Kent 0892 510033

	Bid Price	Offer Price	+ or −	Yield Gross
Deposit Acc. Fd	169.2	178.1	–	–
Equity Acc Fd	405.8	427.2	−2.9	–
Managed Acc Fd	360.7	379.7	–	–
Prop Fd (1st Issue)	–	646.5		–
Prop Acc Fd (2nd Iss)	124.3	130.8		–
Unit Trust Mn. Fd.	177.2	186.5		–
RL Pension Funds				
Deposit Acc	246.2	259.1	–	–
Equity Acc	304.3	320.4	−2.8	–
Fixed Int Acc.	252.5	265.8	–	–
Gilt Indx Lnkr Acc.	190.3	200.3	–	–
Managed Acc.	403.2	424.4	–	–

J Rothschild Assurance PLC

J Rothschild House, Dollar Street, Cirencester

Helpline: 041 307 4300

	Bid Price	Offer Price	+ or −	Yield Gross
Life Funds				
Income Distribution	94.90	99.90	−0.1	–
JRA/M&G Managed	118.5	124.8	−0.30	–
JRA/Scottish Amicable Mngd	114.2	120.3	−0.50	–
JRA/St James's Place Mngd	121.7	128.2	−0.10	–
Deposit	100.5	105.8		–
Far East	125.2	131.8	+0.40	–
Gilts	108.3	114.1	+0.10	–
Greater European	117.2	123.4	−0.30	–
North American	133.0	[illegible]	[illegible]	–
UK Equity	139.2	125.5	−0.80	–
Pension Funds				
JRA/M&G Managed cap	117.3	123.5	−0.30	–
JRA/M&G Managed acc	121.7	128.2	−0.30	–
JRA/Scottish Amicable Mngd cap	114.2	120.3	−0.70	–
JRA/Scottish Amicable Mngd acc	118.6	124.9	−0.70	–
JRA/St James's Pl Mngd cap	127.3	134.1	−0.40	–
JRA/St James's Pl Mngd acc	132.2	139.2	−0.30	–
Deposit cap	100.4	105.7	+0.10	–
Deposit acc	104.2	109.7	+0.10	–
Far East cap	122.9	129.4	+0.60	–
Far East acc	127.5	134.3	+0.60	–
Gilts cap	106.0	111.6	+0.10	–
Gilts acc	110.0	115.8	+0.10	–
Greater European cap	119.8	126.2	−0.40	–
Greater European acc	124.4	131.0	−0.40	–
North American cap	130.6	137.5	+0.30	–
North American acc	135.5	142.7	+0.30	–

Scottish Mutual Assurance plc – Contd.

Scottish Provident Institution

6 St Andrew Sq, Edinburgh

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Group

Sun Life Unit Assurance Ltd – Contd.

Swiss Life (UK) PLC

TSB Life Ltd

Target Life Assurance Co Ltd

Skandia Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Templeton Life Assurance Limited

Tunbridge Wells Equitable

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Woolwich Life Assurance Co Ltd

Zurich Life Assurance Co Ltd

Property Life Assurance Ltd

Providence Capital Life Assur. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Prudential Assurance Co

Prudential Corporate Pension Funds

Prudential Individual Life Funds

Prudential Individual Pension Funds

Royal Heritage Life Assurance Ltd

Royal Life Insurance Ltd

Royal Liver Assurance

Save & Prosper Group

Scottish Amicable

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance plc

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

Allied Dunbar International Assurance Ltd

Albany International Assurance Ltd

CMI Insurance Co Ltd

CMI Insurance Co Ltd – Contd.

Eagle Star Intl. Life

Equitable Life (International)

Eurolife Assurance Group

Guardian International

Hansard International Ltd

Isle of Man Assurance Ltd

Lombard International Ltd

Providence Capital International Ltd

Royal Life Intl. Ltd

Royal Skandia Life Assurance Ltd

Sun Alliance International Life

MANAGEMENT SERVICES

Capital Trust Financial Management

Chase de Vere PLC

ECU Investment PLC

Foster & Braithwaite Ltd

3 London Wall Bldgs, London EC2M 5PP 071 588 6111

	Bid Price	Offer Price	+ or −	Yield Gross
Managed Pension		58.0		–
Managed for Fd Pension		64.3		–

Hunstminster Financial Services(Pty) Ltd

	Bid Price	Offer Price	+ or −	Yield Gross
HFS CMI Intl Mngd Acc	78.8	84.8	−1.4	–
HFS CMI Intl Mngd Cap	64.9	69.8	−1.3	–

TPS Capital Management PLC

Independent Financial Group PLC

Johnson Fry Asset Managers Plc

Knight Williams & Company Ltd

Macartney & Dowie Invest Mngt Plc

Northern Stamp & Partners

Pendleton May Financial Services Ltd

Rushbrook Financial Management

Prudential Fund Managers (Guernsey) Ltd

Charles Stanley & Co Ltd

United Financial Corporation Ltd

J. D. Ward Financial Services Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds

Lloyd George Management

Newport Investment Management

Orion Fund Limited

CANADA (SIB RECOGNISED)

GBC Asset Management

GUERNSEY (SIB RECOGNISED)

ADI Gartmore Managers (Guernsey) Ltd

Adams & Neville Fd Mangt (Guernsey) Ltd

Baring Intl Fd Managers (Guernsey) Ltd

Butterfield Fund Mngrs (Guernsey) Ltd

Equitable International Fund Managers Ltd

Gartmore Fund Mngrs (Guernsey) Ltd

Hambros Fd Mgrs (CI) Ltd

PO Box 255, Guernsey 0481 715454

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or −	Yield Gr's
EMMA Managed	4	6.6475	6.6475	6.9947	[illegible]	6.66
EMMA US Dollar Mgd	4	9.9827	9.9827	10.4290	[illegible]	5.67
EMMA £ Bond	4	5.0801	5.0801	5.3037	[illegible]	7.95
EMMA Rlx Away Enclused	4	28.431	28.431	29.703	[illegible]	5.50
EMMA Anty Linas Bnd	4	[illegible]	25.464	26.791	[illegible]	6.91
EMMA Yen Bond	4	[illegible]	[illegible]	[illegible]	+2	4.22
EMMA Cont Eur Bond	4	48.100	48.100	50.310	[illegible]	7.20
EMMA £ Money	4	10.128	10.126	10.542	[illegible]	6.69

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Mngrs (Channel Islands) Ltd

Lion World Fixed Income Fund

Lloyds Intl Money Market Fund Ltd

M & G (Guernsey) Ltd

Prudential Fund Managers (Guernsey) Ltd

Rothschild Asset Management (CI) Ltd

Royal Bank of Canada Offshore Fd Mgrs Ltd

Scroders Fund Mngmt (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

GUERNSEY (REGULATED)

ANZ Mngmt Co (Guernsey) Ltd

Adams & Neville Fund Mngt (Guernsey) Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Barclays Global Investment Fund Ltd

Buchanan Fund Mngrs (Guernsey) Ltd

Hambros Fund Managers (CI) Ltd

Henderson Admin. (Guernsey)

Investment Portfolio Svs (CI) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Managers (CI) Ltd

Nikko Capital Mngt (Europe) Ltd

Quilter International Management Ltd

Rothschild Asset Mngmt (CI) Ltd

Saudi International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

S.G. Treasury Securities Fund Ltd

Rudolf Wolff Capital Management Ltd

Yamaichi Capital Mangmt (Guernsey) Ltd

	Bid Price	Offer Price	+ or −	Yield Gross
Japan Meta Growth	$11.50		[illegible]	
Yamaichi ISS Fund	$6.13		[illegible]	
Yamaichi CB Plus Fund	$9.45		[illegible]	
Yamaichi OTC Equity	$5.42		[illegible]	

IRELAND (SIB RECOGNISED)

Federated International Funds Plc

GAM Fund Management Ltd

Gartmore Fund Management (Ireland) Ltd

Morgan Grenfell Investment Funds Ltd

Prolific International Fund Plc

Swiss Life Investment Fund

IRELAND (REGULATED)

Bank of Ireland Unit Managers Ltd

Barclays International Fund Mngrs (Ireland) Ltd

Baring Mutual Fund Mangrs (Ireland) Ltd

GT Asset Management (Ireland) Ltd

Genesis Portfolio Managers Limited

Hambros Fund Managers (Ireland) Ltd

Irish Life International Fd Mngrs Ltd

Lazard Fund Managers (Ireland) Ltd

Paine Webber Offshore Funds Plc

Prudential Bache International Mngt Ltd

Genova International (Ireland) Plc

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs

Allied Dunbar Intl Fund Mgrs (IoM)

CMI Fund Managers (IoM) Ltd

Gartmore Fund Managers (IoM) Ltd

Henderson Investment Managers (IoM) Ltd

Sun Life Management International Ltd

Unibank Scandinavian Fund Ltd

ISLE OF MAN (REGULATED)

ATC Fund Management (IoM) Ltd

AXA Equity & Law Intl Fund Mngrs

Appleton Financial Advisors Ltd

CMI Fund Mngrs (IoM)

City Financial (IoM) Ltd

FT MANAGED FUNDS SERVICE

• Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

	Bid Price	Offer Price	+ or -	Yield Gr's
John Govett Management (IoM) Ltd				
Paragon Plus Red Feb 1	£9 85		..	-
Paragon Stlg Red Feb 1	£11.33		...	-
SE Asia Wrt NAV Feb 18	$10 12			-
Govett Mngd Fund Feb 19	£13 65	14 93		-
Govett Mngd Fund Feb 19	$9 63	10.53		-
	$18 67			-
Mny Mgmt Inc Wth Feb 18	$6 87			-
Dollar Gourd Bd Feb 12	$7.56			-
TBI Global Funds Limited				
Intl Stlg Gwth	£21.68	22.83	+0 19	-
Intl $US Gwth	$18 02	18.98	-0.02	-
High Income	£27.08	28 07	-0.53	-
International Equity	£22 12	23 29	-0.26	-
International Bond	£24 45	25 34	+0 06	-
Managed Currency	£28.10	28.39	.....	-
Sterling Currency	£26.84	27 12	+0 04	-
US$ Currency	$37 88	38 28	+0 01	-
Irish £ Currency	I£15 86	16 03	+0 03	-
B & H Fund Managers Ltd				
LFIM Sterling Fd	£11.29	11 77		-
B.F. Offshore Inc Fd Ltd	£12 51	13 04		-
LMG Offshore Fd	£10 00	10 82		-
	£11 39	11 76		-

	Bid Price	Offer Price	+ or -	Yield Gr's
Lloyds Bank Trust Co (CI) Mngrs				
Lloydstrust World Inv Port.	£12.621	2.753	..	1.21
Dealing Weekly on Thursday				
Management International (Jersey) Ltd				
Anchor Gilt Edge (z)	£10.16	10.20		9.22
Minerals, Oils Res. Shrs. Fd. Inc.				
Mores Feb 18	$13 82	14.11	---	2.83
Nat. Westminster Jersey Fd. Mngrs. Ltd				
Sterling Income(z)	55.4	58.0	---	7.30
UK Equity Fd (z)	228 4	243 0	---	2.63
Intl Bond Fd	101 8	105.0	---	8.51
*Sterling Mngd Assets Fd	554.5	584 0	---	4.37
*Sub day every Thurs.				
NatWest TrustCor Currency Fund (z)				
Dollar Class		$38.3487	+0 0027	-
Sterling Class		£27 2502	+0 0043	-
D-Mark Class		DM84.8144	+0 0177	-
Japanese Yen Class		Y8004.1290	+0 4300	-
Ashburton Replica Portfolio Ltd				
	£11 67	12.12	-0.12	-
	$10.62	11.03	-0 10	-
Northgate Unit Tst. Mngr. (Jersey) Ltd				
Pacific Fund Feb 18	$36.10	38.38	....	-
Perpetual UT Mngrs (Jersey) Ltd				
Offshore Intl Gwth Fd	$3 7014	3.9335		-
Offshore Japanese Gwth Fd	$0.9827	1.0446		-
Offshore Euro Gwth Fd				-
Offshore Emerging Co				-
Offshore European Fd		1.6490		-
Offshore Global Bond	$0 9987	1.0405		-
Offshore Global Bond Acc	$0.9987	1.0406		-
Offshore Far Eastn Fd	$2 5614	2.7221		-
Offshore UK Growth Fd	$2.0356	2 1633		-
The Portugal Fund Limited				
Lloyds Bank Trust Company (Channel Islands) Ltd				
NAV Feb 19		$4.49		
Royal Bk of Scotland Fd Mngrs (Jersey) Ltd				
Ivory Growth Fund	£15.63	15.87		1 43
LFIM Defensive Strtgy	£11.57	12.22		-
Royal Trust Intl Fd Mngt Ltd				
Sterling Fxd Int (z)	100.30	102.30	+0.30	6 81
International Bond (z)	$1 152	1.1626	+0 016	5 18
†Prices on Feb 17 Next dealing Feb 24.				
Schroder Mngt Services (Jersey) Ltd				
Schroder Money Funds Ltd				
Sterling		£36 9512		
US $		$48 9252	+0.02	1.80

JERSEY (SIB RECOGNISED)

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
AIB Fund Managers (CI) Ltd						
PO Box 468 St Helier Jersey						0534 36633
AIB Currency Funds Ltd						
Intl Managed Bond	5		22.1690	22.4700		-
Managed Capital Bd	5		22.2858	22.3140		-
AIB Ireland Currency Fund Limited						
Stlg Mngd Currency H	5			11.1166		-
Sterling Currency Fd	5			10.6769		-
Ecu Currency	5			11.1029		-
US Dollar Mngd Curr	5			21 7543		-
Barclays International Funds						
PO Box 152 St Helier, Jersey CI						0534 67888
Australian Eq (inc)	5¼		£1.036	1.032	1.103	1.3
Global Income (inc)	5¼		£0 554	0 540	0.599	3.0
Global Resources	5¼		£0 452	0 452	0.483	0.2
Currency Funds						
Stlg Premium Income		£10 1o		10 17		5.7

LUXEMBOURG (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling and lira fall sharply

Both sterling and the Italian lira – came under intense selling pressure yesterday as the D-Mark consolidated the strong position it has established against European currencies in recent days, *writes James Blitz*.

The pound fell nearly 4 pfennigs in European trading yesterday, to a new historic low against the D-Mark of DM2.3125. The pound later closed in London at DM2.3275, a new record closing low, and a level some 2¼ pfennigs lower than its previous close.

Sterling also fell to a new historic low of 76.0 against the Bank of England's Exchange Rate Index, a level that was a full percentage point down on the day. This effectively means that the pound is now worth 76 per cent of what it was in 1985.

If anything, the lira was even more depressed against the D-Mark, falling as low as L986.00, before closing at L985.00, some L8 down on the day. A particular sign of weakness was that both sterling and the lira weakened against the D-Mark despite the dollar's stronger performance against the German currency. The dollar closed at DM1.6195, up more than ½ a pfennig on the day.

Undermining both the European currencies was the ever-present concern that Germany is lowering interest rates too slowly.

Fears that the Bundesbank will keep rates high were underlined by the release of inflation figures for some German states, which were poorer than the market had expected. In North Rhine Westphalia, for example, the cost of living rose 0.4 per cent in the month to mid-February.

The lira's problems were exacerbated by the political difficulties of Mr Giuliano Amato's government. One London-based market practitioner said that the flight out of lire by native Italians was very great: he had anecdotal evidence that Italians were carrying lira in suitcases over the border to Switzerland, and buying Swiss francs.

The pressure on sterling, if a little less picturesque, was still a cause of concern. One London-based dealer said it was always worrying when, as happened yesterday, the pound came under pressure for no very obvious reason.

One dealer claimed to have seen substantial selling of the pound by US fund managers. Another claimed that the currency was coming under strong pressure in the Far East. The general consenus was that nobody was in the market to buy the UK's currency. Mr Mark Austin of Midland Global Markets saw no reason why the pound should not fall below DM2.30 in the near term.

The pressures on the lira and sterling were partially felt by the peseta inside the Exchange Rate Mechanism. But the Governor of the Bank of Spain said the peseta could be defended by a tax on the movement of entirely speculative short term capital – and this helped the peseta up to a close of Pta71.94 against the D-Mark from a previous Pta72.58.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Feb 24	% Change from Central Rate	% Spread v Weakest Currency	Divergence Indicator
Irish Punt	0.809996	0.794912	-1.86	1.92	36
Spanish Peseta	142.150	140.302	-1.30	1.34	22
Dutch Guilder	2.20045	2.17265	-1.26	1.30	32
Belgian Franc	40.2802	39.7933	-1.21	1.24	29
Portuguese Escudo	180.624	178.485	-1.18	1.22	19
D-Mark	1.95294	1.93026	-1.16	1.19	36
Danish Krone	7.44934	7.41711	-0.43	0.43	9
French Franc	6.54988	6.55110	0.02	0.00	-36

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by Financial Times.

£ IN NEW YORK

Feb 24	Latest	Previous Close
£ Spot	1.4345-1.4355	1.4525 1.4535
1 month	0.42-0.41pm	0.36 0.34pm
3 months	1.06-1.05pm	1.05 1.02pm
12 months	2.95-2.85pm	2.90 2.80pm

Forward premiums and discounts apply to the US dollar

POUND SPOT - FORWARD AGAINST THE POUND

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

STERLING INDEX

CURRENCY RATES

CURRENCY MOVEMENTS

OTHER CURRENCIES

*Floating rate. Iran Official rate £98.50 $66.30

EURO-CURRENCY INTEREST RATES

EXCHANGE CROSS RATES

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

FINANCIAL FUTURES AND OPTIONS

LONDON (LIFFE)

CHICAGO

PARIS

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls March	Calls June	Calls September	Puts March	Puts June	Puts September
113	-	-	-	0.02	0.28	0.46
114	0.03	-	-	-	0.43	-
115	-	1.31	2.16	-	0.73	-
116	-	0.92	1.54	-	1.15	1.29
117	-	0.49	1.07	-	1.67	-
Open Int.	110,865	142,153	12,867	107,113	72,121	7,120

Estimated volume 31,205 † Total Open Interest 533,489
† All Yield & Open Interest figures are for the previous day.

BASE LENDING RATES

	%		%		%
Adam & Company	6	Cyprus Popular Bank	6	Mount Banking	6
Allied Trust Bank	6	Duncan Lawrie	6	NatWestminster	6
AIB Bank	6	Equatorial Bank plc	6	Nykredit Mortgage Bnk	6.5
●Henry Ansbacher	6	Exeter Bank Limited	7	●Rea Brothers	6
B & C Merchant Bank	13	Financial & Gen Bank	7	Roxburghe Bank Ltd	6
Bank of Baroda	6	●Robert Fleming & Co	6	Royal Bk of Scotland	6
Banco Bilbao Vizcaya	6	Girobank	6	●Smith & Williamson Secs	6
Bank of Cyprus	6	●Guinness Mahon	6	Standard Chartered	6
Bank of Ireland	6	Habib Bank AG Zurich	6	TSB	6
Bank of India	6	●Hambros Bank	6	Unibank plc	6
Bank of Scotland	6	Heritable & Gen Inv Bk.	6	●United Bk of Kuwait	6
Barclays Bank	6	●Hill Samuel	6	Unity Trust Bank Plc	6
Brit Bk of Mid East	6	C. Hoare & Co	6	Western Trust	6
●Brown Shipley	6	Hongkong & Shanghai	6	Whiteaway Laidlaw	6
CL Bank Nederland	6	Julian Hodge Bank	6	Yorkshire Bank	6
Citibank NA	6	●Leopold Joseph & Sons	6		
City Merchants Bank	6	Lloyds Bank	6		
Clydesdale Bank	6	Meghraj Bank Ltd	6		
The Co-operative Bank	6	McDonnell Douglas Bk.	6		
Coutts & Co	6	Midland Bank	6		
Credit Lyonnais	6				

● Members of British Merchant Banking & Securities Houses Association

MONEY MARKETS

Sterling futures slip

SHORT-DATED sterling futures slipped sharply yesterday as the pound plunged to a new historic low against the D-Mark on the foreign exchanges, *writes James Blitz*.

The pound's weakness damped earlier speculation that the UK authorities would cut interest rates at or before next month's budget.

The March short sterling contract fell 14 basis points to a low of 93.94 before closing at 93.95. At this level, it effectively assumes that base rates will be unchanged at 6 per cent immediately after the budget.

UK clearing bank base lending rate 6 per cent from January 26, 1993

The June contract was also badly hit, falling 17 basis points to a close of 94.47. At this level, it assumes that base rates will be cut by around 50 basis points by the summer, although the market assumes that this will be the only policy easing in this cycle. Dealers easily removed a large shortage of £2.15bn forecast by the Bank of England yesterday, another indication that there are no expectations of a rate cut in the short term. The easier monetary conditions helped the slight easing in the cost of 3-month money from 6⅛ per cent to 6⅛ per cent on the offered side.

In European markets, the mood was a good deal more tense, partly because of the release of poor inflation figures in Germany. In North Rhine Westpahalia, the cost of living rose of 0.4 per cent in the month to mid-February, a greater increase than the market had anticipated.

The Bundesbank did not help matters by keeping conditions relatively tight and draining a net DM7.4bn from the banking system in this week's tender for securities repurchase funds. Banks quoted call money at around 8.65 per cent, little changed from the previous day. Thre-month money closed at 8.31 per cent.

The March Euromark contract continued its fall of recent days, closing 1 basis point down on the day at 91.85. The March French franc was even weaker, closing 12 basis points down on the day at a new record low of 88.18. The June contract closed 28 basis points down at 90.68.

Both Spanish and Danish money market interest rates remained high as their currencies came under pressure in the European exchange rate mechanism. By the close of trading yesterday, 3-month Danish krone were being quoted as high as 22 per cent, while 1-month pesetas were slightly easier on the day at around 18 per cent.

FT LONDON INTERBANK FIXING

MONEY RATES

LONDON MONEY RATES

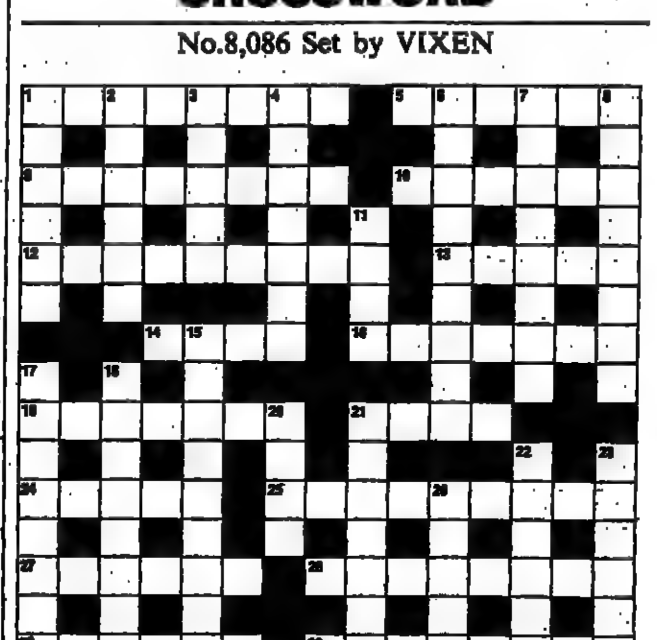
MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

CROSSWORD

No.8,086 Set by VIXEN



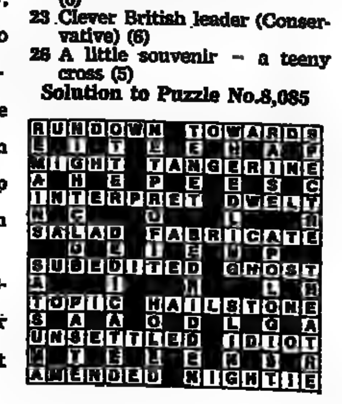
ACROSS

1 A member gets nothing in the break after all (8)
5 An expedition before big examinations (6)
9 Daring law-breaker in the beginning (8)
10 Chance accepting unpromising accommodation (6)
12 Pronounce on the head's good judgment (9)
13 Disturbing issue for a woman (5)
14 A graduate in deep water (4)
16 Run over boy reversing – blameworthy action indeed! (7)
19 Countryman setting vegetables in front of a worker (7)
21 Some people, if retired early, worry (4)
24 Before noon the aim is to revise (5)
25 The singer may get richest – or otherwise (9)
27 She'll put a French article inside a German one (6)
28 Dicky apes a top man in speech (8)
29 Make an effort to include a tip – it's so stylish (6)
30 A woman in depression can be clinging (8)

DOWN

1 Put up some opposition to Sister's new order (6)
2 Western nations no longer count on this (6)
3 Many were in debt, so cut down (5)
4 Medical practitioner having a rush on (7)
6 Restriction the country's to bring back (9)
7 A fence is nowadays in weak position (8)
8 Menus offering no variety, possibly meatless (3,5)
11 A river goddess (4)
15 Left a group of musicians done in (9)
17 A couple of pages on a charge makes it clear (8)
18 Going in left and right one scoffed to wound (8)
20 Staple food? (4)
21 Chiropodist's treatment that's criminal! (7)
22 A quarter tried changing step (6)
23 Clever British leader (Conservative) (6)
26 A little souvenir – a teeny cross (5)

Solution to Puzzle No.8,085



WORLD STOCK MARKETS

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FINLAND

[illegible]

FRANCE

[illegible]

FRANCE (continued)

[illegible]

GERMANY

[illegible]

GERMANY (continued)

[illegible]

ITALY

[illegible]

NETHERLANDS

[illegible]

NETHERLANDS (continued)

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWEDEN (continued)

[illegible]

SWITZERLAND

[illegible]

SOUTH AFRICA

[illegible]

JAPAN

[illegible]

AUSTRALIA

[illegible]

AUSTRALIA (continued)

[illegible]

HONG KONG

[illegible]

MALAYSIA

[illegible]

SINGAPORE

[illegible]

CANADA

TORONTO

4 pm close February 24

[illegible]

MONTREAL

4 pm close February 24

[illegible]

INDICES

NEW YORK DOW JONES

[illegible]

STANDARD AND POOR'S

[illegible]

NEW YORK ACTIVE STOCKS

[illegible]

TRADING ACTIVITY

[illegible]

CANADA TORONTO

[illegible]

MONTREAL Portfolio 1788.12 1788.51 1773.80 1789.45 1837.59 (16/1/92) 1653.16 (14/10/92)

Base values of all Indices are 100 except NYSE All Common - 50; Standard and Poor's - 10; and Toronto Composite and Metals - 1000. Toronto Indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable. ♠ The DJ Indl. Index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's).

[illegible]

WORLD

M.S. Capital Intl.(1/1/70) $	593.7*	594.5	598.4	593.7	542.10 (7/1/92)	467.58 (9/4/92)
Euro Top-100 (26/6/90)	910.70	915.07	923.34	922.20	978.55 (25/5/92)	772.52 (5/10/92)

**Saturday February 20: Taiwan Weighted Price: 4,055.86, Korea Comp Ex. 652.07

¶ Subject to official recalculation. *Calculated at 15.00 GMT.

Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen., MIB Gen., CAC40, Euro Top-100, ISEQ Overall and DAX - 1,000, JSE Gold - 255.7, JSE 20 Industrials - 264.3 and Australia All Ordinary and Mining - 500. (c) Closed. (u) Unavailable

TOKYO - Most Active Stocks

Wednesday, 24 February, 1993

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Ito Yokado	6.0m	3,640	-50	NKK	2.4m	249	-3
Npn Steel Corp	3.2m	297		Green Cross	2.3m	1,170	-40
Daikyo Kanko	2.5m	860	+19	Shizuoka Bank	2.3m	1,300	
Isuzu Motor	2.4m	360	+5	Nippon Conveyo	2.3m	665	+35
Meiji Seika	2.4m	674	-11	Toshiba Corp	2.0m	570	+14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close February 24

1992/93 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev. Close
15⅞	10¾	AAR Corp	0.48	3.8	23	1448	12⅝	12	12⅝	+⅝
28½	18	A L Labs A	0.18	0.8	138	539	22¼	21⅞	21⅞	
59¾	52⅝	AMP Inc	1.60	2.9	20	1273	55⅝	54¾	55⅝	+⅝
80¼	54⅝	AMR			9	6208	57⅝	56	57⅝	+⅞
2⅝	1⅝	ARX			.11	8	1⅝	1⅝	1⅝	
53½	29⅝	ASA x	2.00	5.5	24	545	36⅝	36	36⅝	-⅛
34¼	22⅝	Abbott Lab	0.60	2.3	17	27770	26	24⅞	26	+1⅛
13⅝	10⅝	Abitibi Pr	0.50	4.8	3	13	10½	d10⅛	10⅝	-⅛
11⅝	10⅛	ACM Gvt In	0.96	8.5		282	11⅝	11¼	11¼	
10⅝	9	ACM GvOpp	0.80	8.5		78	9½	9¼	9⅜	
9¾	8½	ACM Gvt Sp	0.79	8.3		706	9½	9⅜	9½	+⅛
11⅞	9⅝	ACM Gvt Se x	0.96	8.8		190	11	10⅝	10⅞	
10⅝	8⅝	ACM Mun	1.08	10.3		125	10½	10⅜	10½	+⅛
12⅝	8⅝	ACM Managd	0.78	8.4		94	9¼	9⅛	9¼	+⅛
11¾	4¼	Acme Cleve	0.40	5.0	17	151	8	7⅞	8	
8¼	3¾	Acme Elect			782	36	7⅝	7½	7⅝	-⅛
33¼	12¼	Acuson			11	746	12⅞	d12¼	12⅝	+½
22¼	16⅛	Adams Expr	0.48	2.2	1	78	21⅝	21⅛	21⅝	+⅛
51½	29½	Ad Micro x	3.00	6.0		183	50	49	50	+¼
22½	7½	Ad Micro P	3.00	13.6	8	10083	22	20⅝	22	+½
9⅛	4⅞	Advest Grp	0.16	2.5	13	74	6⅝	6¼	6⅜	
48¼	33	Aegon ADR	1.55	2.9	8	17	n48⅝	46	46	
53¾	38	Aetna Lf	2.76	5.8	13	3832	47⅞	45¾	47⅝	+2⅜
14½	8⅝	AHI A	0.24	2.0	30	577	12⅝	11⅞	12	-⅝
38½	24	Aflac	0.44	1.3	16	1262	34⅝	34	34¾	+⅞
22⅛	13	Ahmanson	0.88	4.3	10	3672	20⅝	19¾	20⅝	+⅛
22½	4	Aileen Inc			10	285	6⅝	5⅞	6¼	+⅛
46½	38½	Air Pr Chm	0.86	1.9	18	3370	44⅛	42¾	44⅛	+1⅝
29¾	12½	Airbrn Frt x	0.30	1.4	181	658	22¼	21½	21¾	+½
23¾	11¼	Airgas Inc			31	58	23	22½	22⅞	+¼
12⅝	8⅞	Airlease	1.60	13.5	9	19	12	11¾	11⅞	
104	99	AlaPw8.16 x	8.16	8.0		z100	103½	103½	102⅝	[illegible]
105½	100¼	Alab 8.28C x	8.28	7.9		4	u105½	105½	105	[illegible]
11⅛	10¼	AlaPwDpPf	0.87	8.5		z100	10⅝	10⅝	10¼	-⅛
23⅞	14¼	Alaska Air	0.20	1.2	2	135	16	15⅝	16	+⅛
21¼	11¼	Albany Int	0.35	2.3	138	258	15¼	15⅛	15¼	
32	21¼	AlCuber B	0.26	1.0	19	46	25⅝	25	25⅝	+⅛
25¾	19⅝	AlCuber A	0.26	1.1	17	87	23⅞	23⅝	23⅝	-⅛
53⅝	36¾	Albertsons	0.64	1.3	26	911	50	48⅝	48¾	+½
22¾	15⅛	Alcan Alum x	0.30	1.6	31	1137	19⅛	18	19⅛	+⅛
42⅝	33⅞	Alco Stand x	0.96	2.3	17	713	41⅞	40⅝	41⅞	+1
24⅝	14⅝	AlexBrown	0.50	2.4	6	247	20½	20⅜	20½	
28⅞	18	Alex Alex x	1.00	3.9	18	531	25⅝	24⅝	25⅝	+1½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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NYSE COMPOSITE PRICES

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NASDAQ NATIONAL MARKET

4 pm close February 24

[illegible]

AMEX COMPOSITE PRICES

4 pm close February 24

[illegible]

AMERICA

Durable goods decline ignored as Dow rises

Wall Street

A mid-morning round of programme buying helped to push equity prices broadly higher yesterday morning, *writes Karen Zagor in New York.*

At 1 pm, the Dow Jones Industrial Average was up 14.59 at 3,337.86. The more broadly based Standard & Poor's 500 gained 3.01 to 437.81, while the Amex composite was 1.73 higher at 401.69, and the Nasdaq composite climbed 6.70 to 658.10. Volume on the NYSE was 168m shares by 1 pm, and rises outnumbered declines by 968 to 808.

The market dismissed reports of a 1.7 per cent decline in January's durable goods orders, which cast some doubts about the strength of the economy although the drop was less than expected.

Philip Morris was the most active big board stock, rising $1⅛ to $64⅞, reversing its recent losses, while RJR Nabisco firmed $¼ to $8. Both stocks have been hit in recent days by worries that the Clinton administration will levy an excise tax on cigarettes.

Among other blue chip issues, IBM rose $⅜ to $51¼ after the group said that it was cutting 500 jobs at its headquarters.

Chrysler climbed $1⅜ to $37¼ after saying that it will announce plans to increase production of natural gas-powered vehicles, which went into production last March.

Ford was $1 higher at $45⅞ after reporting a 4.9 per cent rise in mid-February US car sales. General Motors improved $1 to $37⅞ although data for the same period showed a decline in US car sales of 8.5 per cent to 68,803.

Drug company stocks continued to dominate trading. Merck rose $⅞ to $38⅛, Bristol-Myers Squibb was $1 higher at $57⅞, Johnson & Johnson added $2⅜ to $42⅜, Glaxo Holdings ADRs eased $⅛ to $18⅞ and Abbott Laboratories improved $1⅜ to $25¾.

In the Nasdaq market, a revival in biotechnology stocks contributed to a morning rise in the composite index. The firmer tone of the market came in spite of a sharp drop in Dell Computer shares which tumbled $5¼ to $31 in active trading after the group said that unfavourable market conditions had prompted it to withdraw a planned 4m common shares offering. Furthermore, Goldman Sachs removed its "buy" rating on the shares. Goldman was to have managed the stock offering.

Among other technology issues, Intel firmed $2⅛ to $115¾, Apple Computer fell $1 to $58¼ and Seagate Technology lost $1¼ to $16¼.

In the biotech sector, US Healthcare improved $2⅜ to $42¾ and Amgen added $2½ to $46. Synergen, whose disappointing drug research data triggered this week's biotech sell-off, rose $⅛ to $15¼.

MEXICAN stocks weakened early in the day, hit by an increase in interest rates. The IPC index dipped 14.43 to 1,528.23 in thin trading, taking its fall on the year so far to more than 13.5 per cent.

Canada

TORONTO stocks were steady in subdued midday dealings in spite of the resignation of the Canadianprime minister, Mr Brian Mulroney, as leader of the Conservative Party. Mr Mulroney said that he will continue as prime minister until a successor is picked.

The TSE-300 Index was 4.3 higher at 3,457.10 by midsession in volume of 30.85m shares valued at C$296m. Advancing issues led declines by 247 to 209.

Northern Telecom was up C$⅝ at C$56⅝ in turnover of 177,700 shares.

EUROPE

Continent sees mixed performances

BOURSES saw mixed fortunes for carmakers, further weakness in chemicals and a recovery for Swiss pharmaceutical stocks, *writes Our Markets Staff.* In the meantime, Spanish dealers reflected further fears for the peseta, and a belated degree of speculation in the equity market.

FRANKFURT registered falls in chemicals and carmakers in particular as the DAX index fell 17.34 to 1,644.24 in turnover up from DM5.8bn to DM7.4bn. Some professionals blamed weakness in the US dollar and its effect on export margins.

However, Mr Hans-Peter Wodniok of James Capel in Frankfurt noted that Volkswagen was firmer, up DM2.30 at DM271.30. He said that other carmakers, like BMW, down DM13 to DM486, were extending their weakness of the last ten days or so on poor industry figures; VW may have gone up on higher market share figures but this, with the underlying trend still sharply down, was an excuse rather than a reason.

Chemicals, he reckoned, were reflecting BASF's admission that its pharmaceutical sales were 40 to 50 per cent down in February, following Germany's strictures upon the ethical drugs market. Bayer and Hoechst, especially the former, have bigger drug operations, but the latter paid for a strong run of relative strength, leading the sector down with a fall of DM5.60 to DM259.30.

AMSTERDAM was disappointed with Akzo's 1992 results, which came in at the lower end of forecasts. The shares closed down Fl 2.10 or 1.4 per cent at Fl 149.90, although off the day's low of Fl 147.80.

However, there is a feeling among some analysts that although the group is expected to show a deterioration in first half earnings this year, given the depressed state of the European economy Akzo is still showing a better performance than many of its competitors. DSM shed Fl 1.90 to Fl 73.50.

The CBS Tendency index eased 0.3 to 99.8.

Royal Dutch weakened Fl 1.80 to Fl 154.00 ahead of today's results with some analysts forecasting an unchanged dividend. Rumours that Philips might have approached the state to lobby for financial support saw the shares slip 40 cents to Fl 22.20.

PARIS came to life in the last few minutes of trading with a gain in the CAC-40 index of 9.26 to 1,953.39, after a day's low of 1,927. Turnover was FFr2.8bn.

The financial sector remained active with reports that Comptoir des Entrepreneurs might be in financial difficulties depressing CFF, down FFr53 at FFr1,069 and AGF, off FFr11 at FFr545.

STOCKHOLM took a further look at Handelsbanken following Tuesday's results, found some positive aspects and marked the B shares up SKr12 to SKr57.50. Some analysts suggested that the bank remained relatively strong compared with its competitors.

The Affärsvärlden General index, however, lost 10.1 to 977.8 in turnover of some SKr1bn.

Atlas Copco weighed on the market, the B losing SKr10 or 3 per cent to SKr318 on disappointment over its 1992 results and forecasts from the company that it did not expect an upturn this year.

MILAN remained beset by worries over Prime Minister Guiliano Amato's government as it faces today's confidence vote, and the outlook for the economy as the lira dipped to a record low against the D-mark.

The Comit index eased 0.19 at 502.75 in spite of strong rallies by Fiat and Montedison. The carmaker fixed L203 higher at L5,508 and rallied to L5,580 after hours, in largely domestic buying, amid expectations that the lira's weakness would have a positive effect on its prospects this year, and renewed rumours that a major disposal was planned.

Montedison ended L48 higher at L1,230 after hours on expectations of an announcement shortly that it had agreed to sell its 51 per cent stake in Erbamont to Sweden's Procordia.

ZURICH's SMI index rose 15.0 to 2065.4. Its drug companies reversed the trend of the previous two days in line with the overnight performance of the pharmaceutical sector on Wall Street and the view that the stocks' sharp declines had been overdone.

Sandoz certificates rose SFr110 or 3.9 per cent to SFr2,880 while Ciba registered shares rose SFr5 to SFr600.

MADRID dropped again at the outset, seeing heavy losses in the bond market and continued instability in the peseta, and equities slid by two per cent or more by mid-day.

However, after lunch there were reports that the governor of the Bank of Spain, Mr Luis Angel Rojo, had told a parliamentary committee that the central bank will not adopt capital controls to support the sagging peseta. The corollary, a possible further devaluation, brought buyers back into the market, and the general index ended only 0.02 lower at 227.90.

VIENNA's ATX index closed 11.1, or 1.3 per cent lower at 820.57 but ISTANBUL climbed to another record, closing 215.26, or 3.7 per cent higher.

FT-SE Actuaries Share Indices

February 24 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1117.41	1115.58	1114.98	1114.57	1113.54	1113.81	1115.81	1116.05
FT-SE Eurotrack 200	1175.50	1174.50	1172.81	1172.06	1173.31	1170.41	1172.03	1172.14

	Feb 23	Feb 22	Feb 19	Feb 18	Feb 17
FT-SE Eurotrack 100	1119.41	1132.76	1136.60	1132.95	1121.77
FT-SE Eurotrack 200	1178.69	1190.84	1191.99	1191.03	1173.51

Base value 1000 (26/10/90) High/day: 100 - 1118.08; 200 - 1176.40 Low/day: 100 - 1112.54 200 - 1169.64.

ASIA PACIFIC

Tokyo eases despite stable currency market

Tokyo

A STABLE currency market and reports that the ruling Liberal Democratic Party was drawing up a new fiscal stimulus package brightened sentiment, but share prices lost ground on liquidation of margin positions ahead of settlements in March, *writes Emiko Terazono in Tokyo.*

The Nikkei average lost 64.21 to 16,798.94 on small-lot trading, having moved between 16,930.27 in early trading and 16,750.88 in the afternoon. Volume remained subdued at 220m shares against 211m.

Margin traders and investment trusts were seen selling in small lots while some foreign investors bought companies which had announced restructuring measures. Declines led advances by 600 to 288, with 227 issues unchanged. The Topix index of all first section stocks fell 6.03 to 1,275.28 and, in London, the ISE/Nikkei 50 index was down 0.09 to 1,019.61.

Most large-lot investors remained on the sidelines ahead of this weekend's Group of Seven meeting in spite of a fall in speculative activity on the currency market.

Aids-related stocks, bought actively on six-month-long margin contracts during September, lost ground as investors liquidated margin positions ahead of settlement in March. Green Cross fell Y40 to Y1,170 and Okamoto Industries, the condom maker, lost Y19 to Y981.

Showa Shell Sekiyu fell by its daily limit for the third consecutive day, diving Y200 to Y800 on concerns over its foreign exchange loss.

Some food companies, dependent on imports, gained on hopes of larger profits due to the higher yen. Nisshin Flour Milling advanced Y20 to Y1,130 while Nitto Flour gained Y5 to Y425. However, electric utilities, previously higher on hopes of improved earnings due to the yen's strength, lost ground on profit taking. Tokyo Electric Power declined by Y20 to Y2,570.

Electric cable companies were firm on reports that the fiscal package to be planned by the LDP will target the country's communication networks. Fujikura gained Y15 to Y518 and Hitachi Cable added Y10 to Y620.

Nippon Telegraph and Telephone fell Y1,000 to Y612,000 on profit taking, while Nissan Motor lost Y1 to Y621. Both companies announced restructuring measures and found buying support from foreign buyers, but later lost ground as investors took profits.

In Osaka, the OSE average fell 83.93 to 18,052.08 in volume of 67.6m shares. Nintendo, the video game maker, fell Y200 to Y9,720.

Roundup

SINGAPORE remained ebullient ahead of tomorrow's budget. Goldman Sachs, in a recent research paper, comments that while the city-state stands to benefit from accelerating regional growth in the next few years, it has to meet a number of challenges. Among them, Goldman writes, is "further adapting industrial policy to a high-tech and service orientation, coping with a rising exchange rate and increasing returns on capital to sustain high investment rates".

SINGAPORE reached its second straight record high on hopes that the budget statement will provide measures to stimulate economic growth. The Straits Times Industrial index put on 16.32 to 1,677.74 as volume rose to 248m shares from 175m.

HONG KONG reversed early losses to close higher on bargain hunting. The Hang Seng index put on 28.50 to 6,177.69 in turnover of HK$2.8bn.

China Light advanced 75 cents to HK$36.00, after issuing covered warrants and Hongkong Land added 20 cents to HK$13.80 on rumours of a derivatives issue.

AUSTRALIA closed near the day's low following the release of a number of disappointing first quarter results, including ayne Nickless, down 22 cents at A$6.75 on news that it was to cut its dividend, and Pioneer International, off 9 cents at A$2.36 after reporting a 23 per cent fall in interim net profit. The All Ordinaries lost 3.4 to 1,604.8 in turnover of A$312.7m.

TAIWAN lost early gains as the market continued to weaken after its rally earlier in the month. The weighted index declined 21.99 at 4,049.50 in turnover down to T$42.7bn.

BANGKOK rose 1.4 per cent on strong performances from the financial sector. The SET index closed 13.04 higher.

SOUTH AFRICA

GOLD shares recovered some of the losses made earlier this week on a firmer bullion price and the index ended 19 higher at 1,027, although volume was reported to be low. The overall index lost 9 to 3,438 and industrials eased 1 to 4,502.

Optimism underlies the cautious mood in Cyprus

Firm foundations are being laid, says Kerin Hope

A TEN-MONTH decline in Cyprus' over-the-counter stock market has been attributed by brokers to the island's prolonged presidential election campaign. Yet even after last week's narrow victory for Mr Glafcos Clerides, Greek Cypriot investors show no inclination to celebrate.

The Cisco weekly all-share index closed at 245.8, down by 0.8 per cent, although average daily volume did increase to C£90,000 (£126,000) for the week. Since the start of the year, the index has declined by 4.4 per cent, with daily volume averaging C£70,000.

Nevertheless, optimism underlies the cautious mood. Mr Clerides was backed by the Greek Cypriot business community which expects the unofficial stock market to have a more solid foundation soon.

A draft stock exchange law, passed back and forth between parliament and the finance ministry for the last three years, should be approved next month. And an overhaul of company law, also under way, could lead to incentives for more family-controlled Cypriot companies to go public.

The market is currently supervised by the Cyprus Chamber of Commerce which is encouraging brokers to abandon telephone trading by providing a purpose-built floor for public trading sessions. More than 70 per cent of transactions now take place on the floor, watched by an enthusiastic crowd of small investors.

While the market has expanded substantially, with trading volume rising by 17 per cent to an estimated C£35m in 1992, local brokers say that the absence of a regulatoryframework is hindering growth.

Mr Louis Clappas, chairman of Clappas Investments, says: "Foreign investors show more and more interest in Cyprus, but fund managers abroad are wary because we don't have the proper legal backing, and because exchange controls are still very tight."

However, foreign investors now account for about 5 per cent of the market's total capitalisation of C£571m. The central bank, which allows foreigners to invest on a case-by-case basis, claims that it has speeded up procedures for approving share transfers. "All it takes is a single phone call," says one official.

Foreigners are mainly attracted by the island's two leading banks, Bank of Cyprus and Popular Bank of Cyprus, which are now stepping up their operations abroad.

The Bank of Cyprus, which used to focus on the expatriate Greek Cypriot community, is broadening its customer base in Britain and Australia.

Popular Bank, in which the Hongkong and Shanghai Bank has an equity stake, last year set up an Athens-based subsidiary to gain a foothold in the single European market.

The two banks, which accounted for around 70 per cent of total transactions on the Cyprus market last year, helped to make up for weakness in other sectors.

In spite of a booming economy, with GDP growth estimated at close to 9 per cent last year, the stock market showed an overall decline in 1992. Political uncertainty, caused by the collapse of talks between the Greek and Turkish Cypriot leaders on reuniting Cyprus, followed by the closely-fought presidential election campaign, drove the market down.

The Cisco all-share index fell by 8.1 per cent, led by tourism and transport stocks where the sectoral index plunged by 26.3 per cent. A sharp fall in 1991 earnings, resulting from holiday cancellations during the Gulf war, sent hotel stocks sharply down.

Fears that continuing recession in Britain, the island's main tourist market, would damage future prospects prompted a move into defensive stocks, mainly banks and insurance companies.

The prevailing gloom, together with capital increases totalling C£37m by the two big banks, discouraged smaller companies' plans for flotations.

Mr Socrates Solomides, manager of Cyprus Investment and Securities Corporation, says: "It will take a while for the market to come back. But there are some good signs: for example, liquidity last year was just as high as in the record year of 1990."

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY FEBRUARY 23 1993								MONDAY FEBRUARY 22 1993					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992/93 High	1992/93 Low	Year ago (approx)
Australia (68)	131.18	+1.3	133.30	96.73	109.97	125.33	+0.3	3.92	129.46	131.91	95.21	109.61	124.98	153.68	108.18	148.35
Austria (18)	147.93	+0.3	150.32	109.08	124.01	124.55	−0.4	1.80	147.53	150.33	108.50	124.91	125.09	186.70	131.16	186.43
Belgium (42)	143.33	+1.0	145.65	105.68	120.16	118.06	+0.3	5.12	141.88	144.57	104.34	120.12	117.74	152.27	131.19	140.28
Canada (113)	119.76	+0.5	121.70	88.30	100.39	108.84	+0.0	3.03	119.11	121.37	87.60	100.84	108.85	142.12	111.36	134.36
Denmark (33)	207.14	+0.0	210.49	152.74	173.65	174.74	−0.9	1.50	207.23	211.16	152.41	175.45	176.30	273.94	181.70	246.67
Finland (23)	70.02	+0.0	71.15	51.63	58.70	86.18	+0.1	1.53	70.01	71.34	51.49	59.28	86.10	89.80	52.84	85.59
France (96)	157.81	+0.3	160.36	116.36	132.29	135.53	−0.6	3.31	157.26	160.26	115.67	133.16	136.31	168.75	136.93	153.71
Germany (62)	113.25	−0.1	115.08	83.52	94.94	94.94	−1.0	2.40	113.32	115.47	83.38	95.94	95.94	129.69	101.59	119.18
Hong Kong (55)	247.01	−1.5	251.00	182.13	207.09	245.15	−1.5	3.68	250.66	255.41	184.35	212.23	248.77	262.28	176.36	197.43
Ireland (16)	135.83	+1.0	138.02	100.15	113.87	126.87	+0.1	4.19	134.46	137.01	98.89	113.84	126.68	173.71	122.98	163.95
Italy (75)	59.18	+0.6	60.14	43.64	49.61	69.61	+0.5	2.98	58.91	60.03	43.32	49.87	69.29	80.86	47.47	76.99
Japan (472)	110.14	−0.4	111.92	81.21	92.34	81.21	−0.2	1.02	110.60	112.70	81.34	93.65	81.34	140.95	87.27	116.64
Malaysia (69)	271.48	−0.1	275.87	200.17	227.59	274.62	−0.2	2.44	271.74	276.89	199.85	230.06	275.09	282.42	212.49	243.22
Mexico (18)	1481.15	−0.4	1505.10	1092.15	1241.70	5008.84	−0.4	1.20	1487.17	1515.37	1093.77	1259.12	5030.42	1789.77	1185.84	1686.77
Netherland (25)	161.84	+1.0	164.46	119.34	135.68	134.10	+0.1	4.24	160.18	163.22	117.81	135.62	133.97	169.70	147.88	150.76
New Zealand (13)	45.53	+3.0	46.27	33.58	38.17	45.99	+1.6	4.76	44.19	45.03	32.50	37.41	45.26	48.52	37.39	46.03
Norway (22)	141.83	−1.2	144.12	104.58	118.90	133.26	−1.5	1.92	143.54	146.26	105.57	121.53	135.36	192.95	128.05	162.08
Singapore (38)	223.03	+0.8	226.63	164.45	186.97	168.71	+0.9	1.95	221.18	225.38	162.67	187.26	167.26	229.63	179.65	218.07
South Africa (60)	167.32	−1.0	170.03	123.38	140.27	166.40	−0.5	3.05	169.02	172.22	124.30	143.10	167.22	263.60	134.21	220.22
Spain (47)	123.02	−0.6	125.01	90.72	103.13	109.46	−1.7	5.55	123.78	126.13	91.04	104.80	111.40	161.72	107.10	155.61
Sweden (36)	160.17	−2.0	162.76	118.11	134.28	182.22	−0.8	2.23	163.41	166.51	120.19	138.36	183.73	200.28	149.69	174.61
Switzerland (56)	111.37	−0.6	113.17	82.12	93.37	102.42	−1.7	2.09	112.03	114.15	82.40	94.86	104.18	122.37	95.99	99.35
United Kingdom (226)	166.08	−0.4	168.76	122.45	139.22	168.76	−0.7	4.37	166.77	169.93	122.64	141.18	169.93	200.07	161.86	178.51
USA (522)	177.41	−0.1	180.28	130.82	148.74	177.41	−0.1	2.85	177.55	180.92	130.59	150.38	177.55	183.74	160.92	167.51
Europe (779)	138.33	−0.1	140.57	102.00	115.97	129.75	−0.7	3.61	138.53	141.16	101.89	117.29	130.68	156.88	131.31	145.72
Nordic (114)	149.51	−1.3	151.93	110.25	125.34	148.19	−0.8	1.97	151.45	154.32	111.39	128.22	149.39	188.52	141.24	173.03
Pacific Basin (715)	115.40	−0.4	117.26	85.09	96.74	87.60	−0.2	1.36	115.81	118.01	85.18	98.06	87.77	141.97	93.70	120.29
Euro−Pacific (1494)	124.66	−0.3	126.68	91.91	104.50	104.30	−0.4	2.38	124.99	127.36	91.92	105.82	104.75	145.21	113.80	130.72
North America (635)	173.83	−0.1	176.64	128.19	145.75	172.76	−0.1	2.86	173.92	177.22	127.93	147.28	172.89	179.56	158.70	165.40
Europe Ex. UK (553)	120.80	+0.0	122.76	89.09	101.30	107.96	−0.7	3.11	120.76	123.05	88.83	102.26	108.75	132.98	111.33	125.66
Pacific Ex. Japan (243)	167.00	+0.0	169.70	123.16	140.02	153.98	−0.4	3.48	166.95	170.12	122.81	141.37	154.57	175.31	146.06	156.36
World Ex. US (1685)	125.78	−0.3	127.81	92.75	105.45	106.33	−0.4	2.40	126.09	128.48	92.74	106.76	106.77	146.91	115.99	132.82
World Ex. UK (1981)	139.94	−0.2	142.20	103.19	117.33	124.21	−0.2	2.39	140.16	142.81	103.09	118.67	124.49	150.58	127.21	140.19
World Ex. So. Af. (2147)	142.15	−0.2	144.45	104.83	119.18	127.76	−0.3	2.58	142.40	145.10	104.74	120.57	128.11	153.05	130.04	143.05
World Ex. Japan (1735)	160.54	−0.1	163.14	118.39	134.61	155.58	−0.3	3.14	160.70	163.74	118.20	136.07	156.07	165.40	151.93	159.06
The World Index (2207)	142.23	−0.2	144.52	104.88	119.24	128.13	−0.3	2.58	142.48	145.18	104.79	120.64	128.48	153.70	130.66	143.52

Latest prices were unavailable for this edition.